

A REVIEW OF THE IMPLEMENTATION OF  
MANAGEMENT BY OBJECTIVES IN A LARGE SUBURBAN  
SCHOOL DISTRICT

Dissertation for the Degree of Ph. D.  
MICHIGAN STATE UNIVERSITY  
DAVID L. JOHNSON  
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A REVIEW OF THE IMPLEMENTATION  
OF MANAGEMENT BY OBJECTIVES  
IN A LARGE SUBURBAN SCHOOL DISTRICT

By

David L. Johnson

AN ABSTRACT OF A DISSERTATION

Submitted to  
Michigan State University  
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1976

## ABSTRACT

### A REVIEW OF THE IMPLEMENTATION OF MANAGEMENT BY OBJECTIVES IN A LARGE SUBURBAN SCHOOL DISTRICT

By

David L. Johnson

The purpose of this case study was to review the circumstances leading to a suburban Board of Education decision to employ an outside management consultant and then to implement the business system known as Management By Objectives, and finally, and most importantly, to elicit and assess the perceptions regarding this system of the involved administrators.

The time, cost and consequences of implementing a large-scale system such as MBO are potentially so great that extreme care must be taken to minimize factors which would deter or reduce effective system integration as viewed by those personnel directly involved. This study has isolated some perceived factors which appear to have affected the outcome of a specific application of MBO in a particular school district.

Until the time of this study, no assessment or evaluation of implementing or maintaining MBO in this school district had taken place. The data was collected through in-depth interviews with each of the administrators who had been involved since the inception of the system.

Their judgements, evaluations, perceptions as to degree, and also the extent to which they appeared or indicated to have internalized the process, was sought and recorded during the questioning.

The review of MBO literature reveals a primary focus upon the mechanics or techniques of making the system work as opposed to viewing management by objectives as a philosophy of management based upon an understanding of human nature. The review includes a look at the fundamental concepts underlying MBO and describes it as not only a decision-making technique but as also based on the human aspects of the management process to improve the performance of the individual manager who operates in a complex web of human relationships with fellow managers.

Many applications are recorded in the literature of the implementation of MBO and numerous sets of initiating guidelines exist. There are, however, many fewer illustrations of successful maintenance of MBO. It appears that several important factors exist, in fact, that tend to hinder the implementation as well as the maintenance of this process, chief among which are lack of high-level commitment and a lack of means for adaptation and modification to occur as circumstances warrant.

In addition to a review and analysis of interview responses, used to generate conclusions, it was possible to comment upon the structural techniques used by the consultants as well.

Based on the perceptions of the administrators involved in the interviews, it was concluded that: 1) the original purposes for implementing MBO had not effectively been met and its status

appeared to be deteriorating; 2) generally, participating staff viewed MBO as malfunctioning or nonexistent; 3) they believe MBO to be a process which interferes with their regular work routines, and; 4) by and large they feel it has or is disintegrating through a lack of organizational objectives, coordination, in-service and communications.

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## CHAPTER I

### INTRODUCTION

#### Introduction to the Problem

On November 1, 1968, the Board of Education of a large metropolitan Detroit area school district, took official action<sup>1</sup> to implement a program of management by objectives. This action included a restructuring of internal administrative relationships, a new compensation and merit pay program as well as a structured objective and goal-setting process.

The Board of Education was assisted in the development of this plan by an outside management consulting firm, West and Company, Inc., Chicago, Illinois.

The local administrative conditions which, in large part, precipitated this action are contained in a report<sup>2</sup> prepared by the consulting firm and are as follows:

1. "Responsibilities and authorities were not properly delegated to the individuals or departments required to make decisions.
2. The increasing independence of departments resulted in decreasing cooperation between departments and functions and a predominance of 'we' and 'they' attitudes.

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<sup>1</sup>Eastwood (Michigan) Public Schools, Minutes of Meeting of the Board of Education, Meeting of October 30, 1968, (Mimeographed).

<sup>2</sup>West and Company, Organization, Compensation and Management By Objectives Studies, Chicago, January 31, 1969, (Mimeographed).

3. It became progressively more difficult to differentiate between positions through use of the current Management Plan as positions changed and new positions evolved.
4. Rapid increases in the salary structure allowed the granting of large increases in salary to individuals without regard to merited performance.
5. Salary pressures were exerted upon management based on internal inequities without regard to market rates and monetary incentives.
6. Inappropriate technique and instructions for personnel appraisal resulted in superior and subordinate misunderstandings. Too often, documentation was provided only to substantiate review conclusions and, generally, projects and activities for performance improvement were undirected by the supervisors."

In view of these considerations, the Board and Superintendent concluded that a full study and review of the organization, management and salary plan was warranted and timely. The first step taken by the consultants was a document review of the current plans and past studies.

This review disclosed several weaknesses, the more important of which are listed by West as:

1. Department and individual responsibilities and decision-making authorities were shared, or not entirely documented or properly delegated.
2. The job descriptions, in a number of cases, did not adequately describe the duties performed by the incumbent.
3. The salary adjustment procedures, which were tied to teacher salaries and automatic increases, were becoming unrealistically rigid and offered limited managerial discretion.
4. Employee performance was not consistently being measured in an objective and motivational manner.<sup>3</sup>

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<sup>3</sup>Ibid.

The administrative "climate" during the year or two preceding the intervention of West and Company was far less than desirable, based on the observations of those most closely associated with the organization. There appeared to be considerable dissatisfaction on the part of the Board of Education with the overall management of the district and, in particular, with the administrative compensation plan patterned closely after an "index" commonly used in teacher salary schedules and implemented without regard to individual performance.

There also appeared to exist a high level of frustration and dissatisfaction among lower and middle-level administrators with upper-level management. This frustration and concern centered on organizational inertia, a lack of clear direction and insufficient communication between departments and divisions.

In any case, after the consultants' document review and delineation of major weaknesses, West and Company, with the Superintendent and the Board, established the following as primary reorganization objectives:

1. Develop the best overall plan of organization which would facilitate future growth, enhance the economics of specialization, delineate responsibility, authority and controls and provide for individual accountability.
2. Reevaluate all positions and place them in a graded structure which would provide fair and competitive compensation.
3. Develop a "merited" compensation plan.
4. Install a Management By Objectives program with the appropriate documentation and appraisal tools.<sup>4</sup>

The major project effort began in July, 1968. The district, in June of the same year, consisted of 24,600 students, 31 buildings,

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<sup>4</sup>Ibid.

1,134 teachers and 86 administrators. The consultants again reviewed all pertinent documents relative to policies, job descriptions, evaluation and salary procedures and the organization structure.

In addition, they conducted fifty-five interviews which included the Board of Education, the Superintendent, all available administrative personnel in the Central Office, and a sampling of elementary and secondary principals. The interviews covered the incumbent's definition of his responsibilities and authorities, working relationships, projects, plans, problems with the district, plus an appraisal of his superior, himself and his subordinates.

On the basis of the interviews and in-depth review, it was determined that:

1. Timely decisions were not being made.
2. Operating decisions and problem analysis tended to drift to superintendent level.
3. Personnel did not always have a clear understanding of their responsibilities.
4. Many decisions were deferred to committees.
5. The lack of functional accountability contributed to functional independence and reactive action.
6. Personnel were unclear about the activities of other departments.<sup>5</sup>

The consulting agency developed a series of recommendations which were reviewed and approved by the Board of Education and Superintendent.

Among them were:

1. Establish a flatter and more decentralized organization fixing operational responsibility and authority with the Superintendent's immediate subordinates.
2. Establish and implement Management By Objectives throughout the administrative hierarchy.<sup>6</sup>

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<sup>5</sup>Ibid.

<sup>6</sup>Ibid.

In addition, the consultant agreed to review and rewrite all job descriptions in a standard business format and to completely restructure the administrative salary schedule in terms of "market competition" for jobs at all levels and relate the new compensation procedures to Management By Objectives.

Because the perceptions and behaviors of participating administrators toward this program of MBO is the subject of this paper, it is appropriate here to include the purposes and benefits of the system outlined by the consultants as reported to the Board of Education in their final report:

"For some time, the Superintendent and Board of Education have recognized the need to:

1. Improve planning and coordination of effort;
2. Maintain an organization structure which is adaptive to growth and change;
3. Clearly designate functional and individual responsibilities;
4. Improve communications between divisions and departments and between Central Office and school buildings;
5. Identify individual contributions and development needs.

"West and Company recommends that Eastwood Public Schools should undertake a program of Management By Objectives to appraise the performance of individual administrators. However, if properly implemented, MBO will also enhance other aspects of administration in the school district.

"Long and short-range planning will be improved by the establishment of major district-wide and divisional objectives. These will provide the basic framework for administrative effort throughout the coming cycle period.

"The MBO cycle also calls for a periodic review of the organization structure. This review should be made in light of established objectives and be revised in order to facilitate the most effective attainment of these objectives. Functional and individual responsibilities can be better clearly defined as a result of this continuous review.

"Communication is enhanced in many ways. First, the cycle requires that plans and objectives be communicated downwards and laterally so that goals can be established. Individual goals are to be communicated upwards so that an administrator can be appraised in a reasonably objective manner. Secondly, an effective translation of goals into projects, requires that careful attention be given to the coordination required with other departments or divisions whose contribution is necessary to the attainment of the goal; this is to be done during advance planning stages. Thirdly, the cycle requires that some form of interim review of results against plans be made between the administrator and his superior. This interim review is made to ensure that administrative activities are consistent with plans and that adjustments are made for any intervening variables which had not previously been identified.

"Another requirement of the MBO cycle is that there be a final review of the performance of an administrator based on achieved results as compared with established goals. Performance strengths are identified as are personal development needs. This review provides a sound basis for recommending salary considerations, preparing a development action plan, identifying promotable talent or identifying personnel requiring transfer or termination."

The role of the consultant in implementing this management system, again by their own words in their report, was:

1. To train the Board of Education and administration through the third level of management in the concepts and methodology.
2. To assist in the development of long-range plans and objectives.
3. To assist in the development of divisional objectives.
4. To assist in the development of goals for each administrator through the third level.

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<sup>7</sup>Ibid.

5. To assist in developing an understanding of the interim review and final performance appraisal process.<sup>8</sup>

In order to accomplish this, they indicate they spent about seventy percent of their time on individual counseling, primarily at the superintendent and cabinet level, in the mechanics of goal setting. The other thirty percent of their time was spent in group training sessions to develop a basic understanding of concepts, processes and methodology of MBO.

At the time of its inception, November, 1968, and until October of 1969, the MBO program involved all 106 of the district's administrators. At that time, October, 1969, eighty-five administrators, including all assistant principals, principals and most lower-level Central Office staff, withdrew from participation in the program and organized themselves into a collective bargaining unit in which salary increases were based on experience and were awarded according to a negotiated schedule.

The remaining twenty-one administrators, declared "exempt" from the bargaining unit by a federal arbitrator, continued to participate in and implement the MBO program. Since November, 1968, eight of the original twenty-one "exempt" administrators have either retired or moved out of the district. Thus, at the time of the study, thirteen administrators remained who had been continuously involved in the program since it began.

#### Purpose of the Study

The purposes of this study are threefold:

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<sup>8</sup>Ibid.



1. To elicit and record the perceptions, observations and opinions of this particular plan of MBO by those administrators in the school district who had personally and functionally participated in its implementation and practice since the program's inception on November 1, 1968, until the time of the study.
2. To conclude, based on the recorded perceptions, observations and opinions, whether the process of implementation of Management By Objectives was generally successful or unsuccessful in the minds of the participants, and;
3. To determine which implementation factors appeared to be instrumental in shaping the perceptions, observations and opinions of the involved administrators.

### Background of the Problem

The importance that clear goals and objectives play in the success of any type of organization would be difficult to overemphasize.

Etzioni<sup>9</sup> suggests that goals perform four basic functions:

1. They set down the guidelines for organizational activity.
2. They constitute a source of legitimacy which justifies the existence of such an organization.
3. They provide orientation by depicting a future situation which the organization strives to obtain.
4. They serve as standards by which both members and outsiders may assess the progress and success of the organization.

Educational institutions have performed reasonably well in the setting of goals as enumerated in the first two categories above.

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<sup>9</sup>Emitai Etzioni, Modern Organizations, Foundations of Modern Sociology Series, (Englewood Cliffs, New Jersey: Prentice Hall, Inc., 1964), p. 5.

In all probability, they equal the quality of the goal-setting activities in businesses, hospitals, government agencies, and other large organizations. The latter two categories find many educational institutions with recognized shortcomings. While it is true that the product of the schools is very difficult to measure, difficulty of measurement should not, by itself, cause educators to ignore the valuable function of goal setting.

A careful identification of objectives should be the first step in planning and requires careful consideration. Objectives must be identified in such a way that the ultimate success or failure of their purpose can be determined. If an individual, or an organization, is to be expected to achieve a reasonable degree of success it is imperative that clear and specific objectives be universally understood.<sup>10</sup>

#### A Conception of Organizational Management

The term "Management By Objectives" was first used by Peter Drucker in his now classic Practice Of Management published in 1954. It has since become widely recognized in the business and industrial management literature as an identifiable managerial process. In analyzing effective organizational management, Drucker suggested that objectives were needed in every area where performance and results directly affected the survival of a business. The individual manager's job was to be directed towards achieving the objectives of the

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<sup>10</sup>Ibid.

business.<sup>11</sup> According to Drucker,

the performance that is expected of the manager must be derived from the performance goals of the business, his results must be measured by the contribution they make to the success of the enterprise. The manager must know and understand what the business goals demand of him in terms of performance, and his superior must know what contribution to demand and expect of him-- and must judge him accordingly.<sup>12</sup>

He contended that a Management By Objectives (MBO) program should emphasize teamwork, with objectives used to identify the expected performance of the manager's own managerial unit, the contribution he and his unit were expected to make in assisting other units to attain their objectives, and the contribution the manager might expect from other units in the attainment of his own objectives.

The specific objectives of the manager were to be both long and short range, and would focus on tangible business objectives as well as the intangible objectives of managerial organization and development, worker performance and attitudes, and public responsibility. And finally, Drucker saw the measurement of performance as a necessary means of providing the manager with feedback information for purposes of self-control only. Feedback on performance was to be used by the manager to guide his own future performance, not by his superior as a means of control.<sup>13</sup>

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<sup>11</sup>Peter F. Drucker, The Practice of Management (New York: Harper and Brothers, 1954), p. 63.

<sup>12</sup>Ibid., p. 121.

<sup>13</sup>Ibid., pp. 121-134.

Three years later, in an influential article published in the Harvard Business Review, Douglas McGregor took an "uneasy look" at the performance appraisal plans for managers then in use in large corporations. At that time, these programs were frequently criticized for (1) emphasizing personality traits which were subjective and difficult to measure or change, (2) providing that ratings be determined in a unilateral fashion with the supervisor "playing God" and judging the subordinate's personal worth as opposed to his performance, and (3) tending to emphasize past mistakes rather than future performance.<sup>14</sup> McGregor reported that managers frequently resisted administering the appraisal programs because they disliked criticizing subordinates with whom they worked daily, lacked the interpersonal skills necessary for successful interviewing, and mistrusted the validity of the trait-oriented instruments. He felt that managerial resistance to these plans reflected the manager's unwillingness to treat human beings as physical objects.<sup>15</sup>

He suggested instead an approach to performance appraisal based upon Drucker's "management by objectives" which called for the subordinate manager to establish short term performance goals for himself after he had thought about his job, assessed his own strengths and weaknesses, and formulated specific plans to meet his work goals. The superior would then work with the subordinate, reviewing his goals and targets.

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<sup>14</sup>Douglas McGregor, "An Uneasy Look at Performance Appraisal," Harvard Business Review (May/June, 1957), pp. 89-95.

<sup>15</sup>Ibid.

After six months the superior and subordinate would meet again formally to examine the subordinate's performance in terms of his own appraisal of what had been accomplished relative to the targets set earlier. Whenever possible, factual data would be provided to substantiate the subordinate's claims. New goals and targets were then set for the next six-month planning period.<sup>16</sup>

Managing by objectives became a popular practice in the late 1950's and early 1960's when large corporations (Honeywell, General Mills, Minnesota Mining and Manufacturing Company, to name but a few) installed MBO programs based in part on Drucker's conceptualization and McGregor's recommendations. These new programs generally judged individual managers on their ability to achieve measurable goals on performance objectives they themselves helped to determine although the extent of subordinate participation in the goal-setting process varied from company to company.

A major difficulty with these programs was that they failed to relate the manager's objectives to the goals of the organization in a systematic fashion. This frequently resulted in a dysfunctionality between managerial and organizational objectives. Another weakness was that the programs tended to be a function of the personnel department, rather than a tool of top management.<sup>17</sup>

In the mid-1960's, MBO came to be seen as a general system of

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<sup>16</sup>Ibid., pp. 91-92.

<sup>17</sup>Robert Howell, "MBO -- A Three Stage System," Business Horizons (February, 1970), pp. 41-44.



management with an emphasis on results,<sup>18</sup> or output in the systems sense. MBO programs now attempted to integrate each manager's objectives with the objectives of the manager above him and those of the organization as a whole. The focus of these programs switched from the personnel department to the president's office. The MBO cycle fell in line with the budgetary and accounting cycle and communication within the organization regarding objectives and goals was heightened.<sup>19</sup> It became apparent that MBO could be an effective means of planning and control.<sup>20</sup> In many large industrial or business organizations, MBO had become an integral part of the management process.

The major proponent of the systems approach to MBO has been George Odiorne. His book, Management by Objectives--A System of Managerial Leadership,<sup>21</sup> has been widely acclaimed in the business management and industrial relations field. Odiorne defines MBO as a "process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing

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<sup>18</sup>Edward C. Schleh, Management by Results (New York: McGraw-Hill, 1961), pp. 27-29.

<sup>19</sup>Howell, "MBO - A Three Stage . . . ," p. 43.

<sup>20</sup>George Strauss, "Management by Objectives: A Critical View," Training and Development Journal (April, 1972), p. 10.

<sup>21</sup>George S. Odiorne, Management by Objectives (New York: Pitman Publishing Co., 1965).

the contributions of each of its members."<sup>22</sup> Through his efforts, and the writings of other MBO publicists, Odiorne today claims that a majority of the very largest business organizations in the United States apparently use some form of MBO.<sup>23</sup>

The MBO process itself is fairly simple. In its ideal form it consists of the following steps:<sup>24</sup>

1. The identification of the common goals of the entire organization for a given period of time.
2. Clarification of the organization chart in terms of responsibility for achievement of the entire organization's objectives.
3. Establishment of specified objectives by the superior, usually with his subordinate's participation:
  - a. Subordinate is asked to make notes on what objectives he will propose for the coming period.
  - b. Before the meeting the superior lists some priority objectives for the same period of time.
  - c. Superior and subordinate meet and jointly review proposed objectives in detail and reach agreement on subordinate's final objective. The subordinate's goals and objectives should complement and support the greater goals of the organization.

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<sup>22</sup>Ibid., p. 55.

<sup>23</sup>Odiorne, MBO Newsletter, Volume 2, No. 8 (August, 1972), p. 3.

<sup>24</sup>Although the steps listed are a composite of the process as expressed by nearly all the MBO advocates, the clearest expression of the MBO process may be found in Odiorne, Management by Objectives, or Schleh, Op. Cit., pp. 31-43.



- d. Objectives are carefully reviewed, and a timetable established for their accomplishment.
  - e. A workable system of measurement is defined so that both superior and subordinate will be aware of how success is to be measured. Performance measurement should be either qualitative or quantitative, never purely intuitive or subjective.
  - f. Two copies of the final draft of objective, timetable, and measurement devices are prepared, with superior and subordinate each retaining a copy.
4. Superior determines with subordinate the superior's role in assisting the subordinate accomplish his goals. The subordinate's authority must be commensurate with his responsibilities. He must have the necessary resources and manpower to achieve his objectives.
  5. During the year each of the subordinate's goals is checked as the agreed upon time period elapses. For some objectives the subordinate's performance may be reviewed quarterly.
  6. Success should be rewarded, usually monetarily, and failure reviewed carefully to determine what might be done to achieve success during the next time period.
  7. New goals are established and an entire cycle starts anew. To be truly systematic, the results of the evaluation, and the data gathered should become inputs in the determination of the next period's objectives.

Educational administrators first became aware of the possible application of MBO for school district management in the late 1960's. Principals, superintendents, and board members searching for more effective means of meeting the increasingly complex demands of school district administration frequently became acquainted with MBO by attending seminars for business managers sponsored by the industrial

management divisions of university business schools, the American Management Association,<sup>25</sup> and through industrial management publications, especially the Harvard Business Review.

A few superintendents recognized the potential of MBO for school district administrations, and with assistance from management consultants and from business and the universities, began establishing their own MBO programs. In some instances, MBO was seen as a stepping-stone towards Program Budgeting, PERT, and other management systems. However, the main thrust of MBO installation continues to be for administrative evaluation.

While originally an outgrowth of the business experience, MBO has found increasing acceptance as a realistic alternative for the administration of public organizations, especially school systems. As formal organizations, school systems and business enterprises share some very basic characteristics: they require money, people, and a basic idea of what is to be accomplished. As an analogy, a business and a school system are both organizations with employees (teachers), and boards (of education) with identifiable goals and objectives and limited resources. A fundamental difference is that the overriding central goal of a business is the maximization of profits (or, more realistically, the avoidance of loss) while the goals of a school

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<sup>25</sup>Unit I of the Management Course of the American Management Association has emphasized standards of performance programs which have evolved into MBO programs in many companies. See Walter R. Mahler, "A Systems Approach to Managing by Objectives," Systems and Procedures Journal (October, 1966), pp. 1-5.



system are ". . . multiple, with little guarantee of total agreement among parents, teachers and taxpayers as to their relative importance beyond the principal goal of providing the highest quality of education with the available resources."<sup>26</sup>

What is clear is that both a business and a school system require careful planning and an effective system of management to achieve their respective goals with limited resources. One reason why MBO has received such a favorable reception in business, and now in education, is because MBO incorporates the planning function into a general system of administration and management. MBO requires a clear statement of organizational goals and objectives and assigns the responsibility for achieving those objectives to individual managers, holding them directly responsible for their performance or their contribution to the overall organizational effort. In today's educational terminology, MBO as a system of management establishes the framework whereby the school administrator may be held accountable and be rewarded for achieving specific performance standards on identified performance objectives for his unit of organizational responsibility.<sup>27</sup>

Certainly various aspects of MBO have been employed by school district administrators throughout the country for some time as effective managerial practices: establishing goals, setting objectives, performance appraisals, merit pay for administrators, etc. But as a

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<sup>26</sup>Charles S. Benson, The Economics of Public Education (Boston: Houghton Mifflin, 1961), p. 4.

<sup>27</sup>John D. Kennedy, "Planning for Accountability Via Management by Objectives," Journal of Secondary Education, 45 (December, 1970), pp. 348-354.

general system of management, MBO is only now receiving attention as a realistic alternative for school district administration. One reason for this is that until recently school administrators enrolled in programs of Educational Administration were not formally exposed to technical management skills developed outside the field of educational administration. A second reason is that very little has been published regarding the use of MBO in the public schools beyond a few scattered articles suggesting some possible benefits for its use or describing its operation or process. Much of what has been published comes from business schools and their industrial relations and industrial management divisions.<sup>28</sup> And as yet there is no empirical research available investigating the dynamics of MBO as employed in school district administration.

#### Significance of the Study

As accountability, cost efficiency and management system strategies continue to expand their points of contact and Management By Objectives as a comprehensive management system continues to grow in use, it is necessary to assess its specific applications in school organizations.

The time, cost and consequences of implementing a large scale system such as MBO are potentially so great that extreme care should be taken to minimize factors which would deter or reduce effective system integration as viewed by those personnel directly involved.

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<sup>28</sup>Gerald G. Mansergh, Ed., Dynamics of Management by Objectives for School Administrators, Metropolitan Detroit Bureau of School Studies, (1971).

Implementation and practice techniques which result in or may tend to produce dysfunction in the system on the part of the employees of the organization must be identified and accomodated in future applications. Wide-scale study of the actual perceptions of participating staff should be extremely valuable in identifying and assessing those factors which produce success and those which produce failure.

This study has isolated some perceived factors which affected the outcome of a specific application of MBO in a particular school district.

#### Methods and Procedures

Until the time of this study, no assessment or evaluation of implementing or maintaining MBO in this school district had taken place. It was timely and appropriate, therefore, to assess the impact which this management system has had on the "exempt" administrators still participating in it.

The data was collected through in-depth interviews with each of twelve original "exempt" administrators. The thirteenth was omitted from the interview schedule since the position, Secretary to the Board, or more recently, Executive Secretary to the Superintendent, was unlike all other positions in that this individual reported directly to the Board of Education and was evaluated by them. The possibility of the influence of Board perceptions mitigated against inclusion. This aspect of the change process is appropriate for further study.

The writer knew each "exempt" administrator personally and professionally. Rapport between them should have been already established since he had worked closely with them in a variety of circumstances and relationships toward mutual goals.

The approval of the Superintendent and the Board of Education was secured to pursue such a study among the administrative staff. Over a period of two weeks, two-hour interviews were scheduled with each of them. A brief, uniform explanation concerning the general nature of the research and how it related to the interview was provided. The "process" of MBO was stressed in an attempt to minimize the possible conclusion that their commitment to and involvement in it was being "evaluated". For this reason, the framework of the explanation and the questions asked centered on the "organization" realizing, of course, that answers were personally oriented, individually revealing and subject to an evaluative interpretation. In addition, it was made very clear that all responses would be unidentifiable by source and that the results would be a synthesis of the accumulated responses. Beyond that, the writer was prepared to place considerable confidence in rapport, previously established.

Their judgements, evaluations, perceptions as to degree, quality, and usefulness, and also the extent to which they appeared or indicated to have internalized the process, was sought and recorded during the questioning.

The method of questioning may be considered unstructured, although the format followed the "funnel" approach. That is, the questions gradually became more specific as the responses became more specific.

The sequence of questions followed was similar to these:

1. Please explain, in your own words, the process of management by objectives, as currently practiced.
2. In general, how do you feel about this process?
3. How do other "exempt" administrators feel about it?
4. Has this been your point of view from its inception?
5. What has happened along the way to change your mind or substantiate your view?
6. Do you feel it is an effective management process? Why or why not?
7. How should or could it be modified to better suit the needs of the organization and the administrators?

The analysis of the data collected through these interviews was used to answer the following study questions:

1. To what extent do involved administrators feel the original purposes of MBO have been met?
2. What are their preceptions of this system at the present time?
3. Based on the beliefs of the "exempt" administrators, where does their activity in the MBO process differ from the stated structure in organizational policy?
4. How, and to what extent do they believe the MBO system has been modified since it was begun?
5. Do they believe it is presently more effective or less effective than it was originally? Why do they believe that?

### Terminology

Terms unique to this particular study or the field of education, while few, are indicated here for purposes of clarification or to distinguish them from commonly understood and accepted definitions:



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West and Co., Inc.--A fictitious name given to a private management consultant firm based in Chicago, Illinois, employed by the Eastwood Public Schools Board of Education.

Eastwood Public Schools.--A fictitious name applied to the school district involved in the study, located in a large metropolitan area.

Exempt Administrator.--The name applied to all administrators in the Eastwood Schools who are not affiliated with a collective bargaining group. They include the Superintendent, the Associate Superintendents, the various Directors of Education and all of the administrators in the Personnel and Labor Relations Division.

Management By Objectives.--The working definition applied to this process by West and Company, is "the total process of developing objectives and establishing and implementing action to achieve managerial goals."

Odiorne, on the other hand, uses the more classic and accepted statement:

"A process whereby the superior and subordinate managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating and assessing the contributions of each of its members."<sup>29</sup>

### Delimitations

The operational scope of this study is restricted to a single large metropolitan area school district which initiated and sustained a system of administration called Management By Objectives.

The population included in the study are all of the "exempt" administrators who were employed by the district from the time the MBO program was installed to the time of the study.

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<sup>29</sup>Odiorne, Management by Objectives, Op. Cit.



The data consists of the elicited perceptions and opinions recorded as responses to a structured set of questions in an interview environment on the work site of the involved administrators.

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## CHAPTER II

### REVIEW OF THE LITERATURE

#### Management By Objectives Concept

Much of the literature focuses upon the mechanics or techniques of making the system work as opposed to viewing management by objectives as a philosophy of management based upon an understanding of human nature. It is clear from the literature that a manager can follow all of the correct steps, apply all of the techniques correctly, and still see his efforts result in failure.

A complete overview of management by objectives was provided in a 1970 issue of The Economist. The article reviewed the work done in England by consultants John Humble and Urwick Orr and described the MBO process as it has worked in a specific company, including the following statement:

Installing MBO can often be a traumatic experience for a company, especially for top managers. Hidden problems and conflicts will be brought into the open. Management consultants are highly valuable to shepherd the company through this period, quite apart from the previous experience of MBO they can offer. Eventually each manager ends up with his key results areas identified and written down and his objectives agreed upon. From then on, this part is comparatively routine. But there is more. First, he and his boss must draw up a job improvement plan for him and decide how to go about it. Secondly, MBO at top management levels inevitably forces top managers to start asking themselves

fundamental questions about what the company is doing and where it is going.<sup>1</sup>

Thus, MBO is not only a decision-making technique. It is also based on the human aspect of the management process, improving the performance of the individual manager as a human being, operating in a web of human relationships with fellow managers.

The term management by objectives first appeared in the literature as a way of building teamwork and common effort. Drucker pointed out that each member of an enterprise contributes something different but all must contribute toward a common goal. He stated:

Their efforts must all pull in the same direction, and their contributions must fit together to produce a whole--without gaps, without friction, without unnecessary duplication of effort.

Business performance therefore requires that each job be directed toward the objectives of the whole business. And in particular, each manager's job must be focused on the success of the whole. The performance that is expected of the manager must be derived from the performance goals of the business, his results must be measured by the contribution they make to the success of the enterprise. The manager must know and understand what the business goals demand of him in terms of performance, and his superior must know what contribution to demand and expect of him . . . and must judge him accordingly. If these requirements are not met, managers are misdirected. Their efforts are wasted. Instead of teamwork, there is friction, frustration, and conflict.<sup>2</sup>

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<sup>1</sup>Stephen J. Carroll, Jr., and Henry L. Tosi, "What is Management by Objectives?" The Economist, CCXXXV, No. 6609, (April 25, 1970), p. 60.

<sup>2</sup>Peter Drucker, The Practice of Management, New York: Harper and Row, 1954), p. 121.

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Drucker continued and made an important point about the business enterprise that is quite descriptive of the public education enterprise. He said:

Management by objectives requires major effort and special instruments. For in the business enterprise, managers are not automatically directed toward a common goal. On the contrary, business, by its very nature, contains three powerful factors of misdirection: in the specialized work of most managers; in the hierarchical structure of management; and in the difference in vision and work and the resultant insulation of various levels of management.<sup>3</sup>

MBO does not work simply because objectives are set and performance is measured against those objectives; this could be done in a highly autocratic organization. Mali offered a concise explanation of why management by objectives works when he stated:

Economic life without productive work directed toward some purpose is meaningless, dull and sterile. It is within the nature of man to engage in purposeful activity. It provides him with satisfaction, especially when directed toward a common good. This common good may be manifested as perpetuation of the enterprise, customer satisfaction, or employee security. Purposeful activity that follows a course of action to some end is compatible with man's deep urge for growth, development and life. This is motivational! Managing by objectives follows man's inherent progressive principle of changing disorder to order, unfinished to finished, disorganization to organization. Man's purpose, in other words, finds expression in reaching and achieving higher levels of good. The work situation becomes an opportunity for him to exercise this process. What makes MBO work is that it fills man's deep desire to accomplish; MBO gives him the opportunity and the process to select what is to be accomplished, how it is to be accomplished, and when.

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<sup>3</sup>Ibid., p. 122.

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Achievement for man in the work situation must not be a mere possibility but rather a certainty if economic life is to be meaningful, stimulating, and fulfilling.<sup>4</sup>

### Underlying Principles

Reliance on inherent authority of position, as a management system, is doomed to failure. Authority is no longer absolute but, rather, is relative. McGregor pointed out that the effectiveness of authority as a means of control depends upon the ability to enforce it through the use of some form of punishment.<sup>5</sup>

He used as examples the military, wherein authority is enforceable through the court-martial with the death penalty at the extreme end; and the church, wherein excommunication represents the psychological equivalent of the death penalty.

At one time management could enforce its authority with threat of unemployment. However, the myriad of social legislation which began in the 1930's and continues today, has lessened the impact and likelihood, in many instances, of capricious discharge. The result is less dependence by the employee in the employment relationship.

The role of the manager varies. In one instance he is in the role of superior; in another instance he is a subordinate; and still at other times he must function successfully as a co-equal with other managers.

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<sup>4</sup>Paul Mali, Managing by Objectives, (New York: John Wiley and Sons, 1972), p. 16

<sup>5</sup>Douglas McGregor, The Human Side of Enterprise, (New York: McGraw-Hill, 1960), p. 21.

In deciding how best to manage others, it is necessary to consider those factors known to motivate man. It is possible to arrange man's needs on a hierarchical basis, with the higher needs emerging as the more basic ones are satisfied. Maslow arranged these needs as follows:

1. Physiological Needs.--When physiological needs are unsatisfied, all needs of a higher order may become non-existent or will at least be relegated into the background . . . .
2. Safety Needs.--Subsequent to the fulfillment of physiological demands, there arises a need for safety from destructive forces, threats of injury and disruptions of satisfying routines . . . .
3. Love Needs.--When both physiological and safety needs are adequately cared for, there emerges a longing for love and affection, for closeness, and a feeling of belonging . . . .
4. The Need for Esteem.--A still higher order of need is that for the esteem of others and for a sense of self-respect and personal adequacy . . . .
5. The Self-Actualizing Need.--The need to realize fully his self-potential has been suggested as man's highest goal.<sup>6</sup>

Of profound significance, according to McGregor, is the fact that a satisfied need is not a motivator of behavior. It is commonly ignored in the conventional approach to the management of people. In discussing man's needs, McGregor made the following point:

Management knows today of the existence of these needs (love or social needs), but it is often assumed quite wrongly that they represent a threat to the organization. Many studies have demonstrated that the tightly knit, cohesive work group may, under proper conditions,

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<sup>6</sup>A. H. Maslow, "Theory of Human Motivation", Psychological Review, L. (1943), pp. 370-396.

be far more effective than an equal number of separate individuals in achieving organizational goals. Yet, management, fearing group hostility to its own objectives, often goes to considerable lengths to control and direct human efforts in ways that are inimical to the natural "groupingness" of human beings. When man's social needs--and perhaps his safety needs, too--are thus thwarted, he behaves in ways which tend to defeat organizational objectives. He becomes resistant, antagonistic, uncooperative. But this behavior is a consequence, not a cause.<sup>7</sup>

Of greatest significance to management are what McGregor called the egoistic needs. These are what Maslow called the need for esteem. McGregor classified these needs into two kinds, as follows:

1. Those that relate to one's self-esteem: needs for self-respect and self-confidence, for autonomy, for achievement, for competence, and for knowledge.
2. Those that relate to one's reputation: needs for status, for recognition, for appreciation, for the deserved respect of one's fellows.<sup>8</sup>

Unlike the lower needs, the egoistic needs are rarely satisfied according to McGregor. There are very limited opportunities for the satisfaction of these for persons in the lower levels of the hierarchy in most organizations.

In discussing the highest level of need, that of self-actualization or self-fulfillment--the needs for realizing one's own potentialities, for continued self-development, for being creative in the broadest sense of that term--McGregor pointed out

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<sup>7</sup>McGregor, Op. Cit., pp. 37-38.

<sup>8</sup>Ibid., p. 38.

that the conditions of modern industrial life give only limited opportunity for those relatively dormant human needs to find expression.

McGregor made the following points with reference to motivation:

We recognize readily enough that a man suffering from a severe dietary deficiency is sick. The deprivation of physiological needs had behavioral consequences. The same is true, although less well recognized, of the deprivation of higher-level needs.

The man whose needs for safety, association, independence, or status are thwarted is sick just as surely as is he who has rickets. And his sickness will have behavioral consequences. We will be mistaken if we attribute his resultant passivity, or his hostility, or his refusal to accept responsibility to his inherent "human nature". These forms of behavior are symptoms of illness--of deprivation of his social and egoistic needs.

The man whose lower-level needs are satisfied is not motivated to satisfy those needs. For practical purposes they exist no longer . . . . Management often asks, "Why aren't people more productive? We pay good wages, provide good working conditions, have excellent fringe benefits and steady employment. Yet people do not seem willing to put forth more than minimum effort." It is unnecessary to look far for the reasons.

Consideration of the rewards typically provided the worker for satisfying his needs through his employment leads to the interesting conclusion that most of these rewards can be used for satisfying his needs only when he leaves the job. The only contribution they can make to his satisfaction on the job is in terms of status differences resulting from wage differentials.

Most fringe benefits--overtime pay, shift differentials, vacations, health and medical benefits, annuities, and the proceeds from stock

purchase plans or profit-sharing plans--yield needed satisfaction only when the individual leaves the job. Yet these, along with wages, are among the major rewards provided by management for effort. It is not surprising, therefore, that for many wage earners work is perceived as a form of punishment which is the price to be paid for various kinds of satisfaction away from the job. To the extent that this is their perception, we would hardly expect them to undergo more of this punishment than is necessary.<sup>9</sup>

In today's world, management has provided reasonably well for the physiological and safety needs of the work force. The result has been a shift in the motivational emphasis to the social and egoistic needs. In the absence of opportunity to satisfy these needs at work, the worker will be deprived and his behavior will reflect this deprivation. McGregor stated that under this condition "if management continues to focus its attention on physiological needs, the mere provision of rewards is bound to be ineffective, and reliance on the threat of punishment will be inevitable."<sup>10</sup>

In 1960 McGregor developed what is known as Theory X and Theory Y. Theory X and Theory Y are not managerial strategies; they are underlying beliefs about the nature of man. Theory X, the traditional view of direction and control, views the human being as follows:

1. The average human being has an inherent dislike of work and will avoid it if he can.

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<sup>9</sup>Ibid., pp. 38-40.

<sup>10</sup>Ibid., pp. 40-41.

2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.<sup>11</sup>

It was McGregor's belief that the principles of organization which comprise the bulk of the literature of management could only have been derived from assumptions such as those of Theory X.

Theory Y, a concept of the integration of individual and organizational goals, views the human being as follows:

1. The expenditure of physical and mental effort in work is as natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction (and will be voluntarily performed) or a source of punishment (and will be avoided if possible).
2. External control and the threat of punishment are not the only means of bringing about efforts organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Commitment to objectives is a function of the rewards associated with their achievement. The most significant of such rewards, e.g., the satisfaction of ego and self-actualization needs, can be direct products of efforts directed toward organizational objectives.
4. The average human being learns under proper conditions, not only to accept but to seek

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<sup>11</sup>Ibid., pp. 33-34.



responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.

5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely not narrowly, distributed in the population.

"These assumptions involve sharply different implications for managerial strategy than do those of Theory X. They are dynamic rather than static. They indicate the possibility of human growth and development; they stress the necessity for selective adaptation rather than a single absolute form of control. They are not framed in terms of the least common denominator of the factory hand, but in terms of a resource that has substantial potentialities."<sup>12</sup>

Management's task under Theory X, according to McGregor, is described as follows:

- "1. Management is responsible for organizing the elements of productive enterprise--money, materials, equipment, people--in the interest of economic ends.
2. With respect to people, this is a process of directing their efforts, motivating them, controlling their actions, modifying their behavior to fit the needs of the organization.
3. Without this active intervention by management, people would be passive--even resistant--to organizational needs. They must therefore be persuaded, rewarded, punished, controlled--their activities must be directed. This is management's task--in managing subordinate managers or workers. We often sum it up by saying that management consists of getting things done through other people."<sup>13</sup>

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<sup>12</sup>Ibid., pp. 47-48.

<sup>13</sup>Douglas McGregor, Leadership and Motivation, (Cambridge, Massachusetts: M.I.T. Press, 1966), p. 6.

McGregor described the concept of management's role under Theory Y as follows:

- "1. Management is responsible for organizing the elements of productive enterprise--money, materials, equipment, people--in the interest of economic ends.
2. People are not by nature passive or resistant to organizational needs. They have become so as a result of experience in organizations.
3. The motivation, the potential for development, the capacity for assuming responsibility, the readiness to direct behavior toward organizational goals are all present in people. Management does not put them there. It is a responsibility of management to make it possible for people to recognize and develop these human characteristics for themselves.
4. The essential task of management is to arrange organizational conditions and methods of operation so that people can achieve their own goals best by directing their own efforts toward organizational objectives. This is a process primarily of creating opportunities, releasing potential, removing obstacles, encouraging growth, providing guidance. It is what Peter Drucker has called 'management by objectives' in contrast to 'management by control'."<sup>14</sup>

According to McGregor,

"acceptance of Theory Y does not imply abdication, or 'soft' management, or 'permissiveness'. As was indicated--such notions stem from the acceptance of authority as the single means of management control, and from attempts to minimize the negative consequences. Theory Y assumes that people will exercise self-direction and self-control in the achievement of organizational objectives to the degree that they are committed to those objectives.

"If that commitment is small, only a slight degree of self-direction and self-control will be likely, and a substantial amount of external influence will be necessary.

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<sup>14</sup>Ibid., pp. 15-16.

If it is large, many conventional external controls will be relatively superfluous, and to some extent self-defeating. Managerial policies and practices materially affect this degree of commitment."<sup>15</sup>

McGregor<sup>16</sup> cautioned that authority is not an appropriate means for obtaining commitment to objectives. Integration of the individual's goals with those of the organization is an important concept inherent in Theory Y. In order for the organization to become more effective in achieving its objectives, adjustments must be made in significant ways to the needs of its members. This requires that both the organization's and the individual's needs be recognized. Although, it must be kept in mind that the perfect organization is not possible to achieve and neither is perfect integration of organization and individual needs a possibility.

McGregor stated:

"perfect integration of organization requirements and individual goals and needs is, of course, not a realistic objective. In adopting this principle (of integration), we seek that degree of integration in which the individual can achieve his goals best by directing his efforts toward the success of the organization. 'Best' means that this alternative will be more attractive than the many others available to him: indifference, irresponsibility, minimal compliance, hostility, sabotage. It means that he will continuously be encouraged to develop and utilize voluntarily his capacities, his knowledge, his skill, his ingenuity in ways which contribute to the success of the enterprise."<sup>17</sup>

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<sup>15</sup>McGregor, The Human Side of Enterprise, Op. Cit., p. 56.

<sup>16</sup>Ibid.

<sup>17</sup>Ibid., p. 55.

### The Element of Participation

Inherent in Theory Y is the concept of participation. The idea of employee participation is frightening to some managers, used as a manipulative tool by others, and is generally thought by most to apply to groups, not to individuals. According to McGregor,

" . . . the effective use of participation is a consequence of a management point of view which includes confidence in the potentialities of subordinates, awareness of management's dependency downwards, and a desire to avoid some of the negative consequences of emphasis on personal authority. It is consistent with Theory Y--with management by integration and self-control. It consists basically in creating opportunities under suitable conditions for people to influence decisions affecting them. That influence can vary from a little to a lot."<sup>18</sup>

McGregor placed employee participation in management in clear perspective when he said:

"It is perhaps most useful to consider participation in terms of a range of managerial actions. At one end of the range the exercise of authority is relatively small and participation is maximum. There is no implication that more participation is better than less. The degree of participation which will be suitable depends upon a variety of factors, including the problem of issue, the attitudes and past experience of the subordinates, the manager's skill, and the point of view alluded to above."<sup>19</sup>

All significant management activities contain the element of risk, and participation is no exception. A common fear on the part of managers is that if employees are given an opportunity to participate in and thereby influence decisions which affect them, they will soon want to participate in matters which are none of their concern. Managers who voice this fear tend to have a narrow conception of the

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<sup>18</sup>Ibid., pp. 125-126.

<sup>19</sup>Ibid., p. 126.

issues which should concern employees. McGregor stated:

"If management's concern is with the growth of employees and their increasing ability to undertake responsibility, there will of course be an expectation that employees will become involved in an increasing range of decision-making activities.

"Participation which grows out of the assumptions of Theory Y offers substantial opportunities for ego satisfaction for the subordinate and thus can affect motivation toward organizational objectives. It is an aid to achieving integration. In the first place, the subordinate can discover the satisfaction that comes from tackling problems and finding successful solutions for them. This is by no means a minor form of satisfaction."<sup>20</sup>

It must be borne in mind constantly that participation must be used judiciously and with understanding. It is by no means a panacea, a manipulative device, a gimmick, or a threat. It is entirely consistent with management by integration and self-control.

#### Implementation Outcomes

There has been little scientific and empirical research done with regard to the outcomes of management by objectives. Almost all of the literature is based on the experience of consultants working with many companies in instituting MBO and/or troubleshooting ailing MBO programs. Ivancevich<sup>21</sup> questioned whether or not MBO has been able to accomplish the planning, controlling, and motivational objectives claimed by its advocates. He cited some empirical studies which have been made. Meyer, Kay, and French, in 1965,

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<sup>20</sup>Ibid., pp. 130-131.

<sup>21</sup>John M. Ivancevich, "A Longitudinal Assessment of Management by Objectives", Administrative Science Quarterly, XVII, No. 1 (March, 1972), pp. 126-135.

used a control group and an experimental group in an attempt to measure the outcomes of an MBO program. The control group operated under the traditional performance appraisal system while the experimental group was encouraged to develop goals for achieving improved job performance. Over a one-year period those in the experimental group had more favorable attitudes toward the content and challenge of their jobs than did those in the control group.<sup>22</sup>

Raia, in 1965 and 1966, made a study based on longitudinal data compiled at Purex Corporation, Ltd. The study initially showed that the MBO program resulted in significant improvement by the participants toward their jobs. A follow-up of the initial study fourteen months later showed that the MBO program had deteriorated as an effective motivational mechanism and that a number of obstacles had arisen, including the following:

1. Lower-level managers felt they were not fully participating in the setting of objectives.
2. The burden of paperwork had become excessive.
3. Too much emphasis was placed on quantitative measures.
4. The use of MBO as a device to generate extra work from managers.<sup>23</sup>

Tosi and Carroll, in 1968 and 1970, attempted to correlate characteristics of objectives in an MBO program with manager personality characteristics. The results showed that a clear statement of

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<sup>22</sup>Ibid., p. 126.

<sup>23</sup>Ibid., p. 126.

objectives was related to higher levels of satisfaction with the superior and to the belief on the part of the subordinate that the MBO program was important.<sup>24</sup>

In 1970, Ivancevich, Donnelly, and Lyon examined the importance of implementing MBO in two companies on the manager's sense of job satisfaction. In the first company the personnel manager conducted the training and handled the implementation of MBO. In the second company, top-level executives performed the training and implementation activities.<sup>25</sup> The results showed that where administration handled the program a marked improvement in perceived need satisfaction among managers took place. How long the improvement lasted was not measured. However, in the first company MBO had not filtered down to the first-level managers, and job satisfaction was not significantly improved. In the second company there was an initial improvement in self-actualization and security categories for lower-level managers, but this did not last. In the first company the personnel department, given the task of training and implementation, had a very poor reputation within the company. In the second company, where improved job satisfaction did not last, there was a lack of sustained effort by top management to continued commitment. After the initial training, less time and commitment were accorded MBO. Concepts learned in training were not supported by top-management actions in actual practice. In both companies the executive decision-making groups specified who

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<sup>24</sup>Ibid., p. 126.

<sup>25</sup>Ibid., p. 127.

would be trained and, more important, suggested how much time trainees could be away from their jobs. In both companies no specific managerial activity was undertaken after the training sessions which would have reinforced the content and processes of training--goal setting became almost totally boss-oriented.

Ivancevich referred to MBO as a training technique in his article and indicated that other companies had used it as a manpower planning technique, compensation benchmark, or as an overall managerial performance assessment mechanism. Many writers on the subject of management by objectives tend to view it as a mechanism or personnel tool as opposed to a total philosophy of management with benefits to be derived by both employee and employer.<sup>26</sup>

Mali cited four basic principles from which operating principles for MBO emerge. These were the following:

1. Unity of managerial action is more likely to occur when there is pursuit of a common objective.
2. The greater the focus and concentration on results one wants to achieve on a time scale, the greater likelihood of achieving them.
3. The greater the participation in setting meaningful work with an accountability for a result, the greater motivation for completing it.
4. Progress can only be measured in terms of what one is trying to make progress toward.<sup>27</sup>

In many ways the concept of managing by objectives is inseparable from other management essentials. Delegation of authority, division of

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<sup>26</sup>Drucker, Op. Cit.

<sup>27</sup>Mali, Op. Cit., p. 3.



labor, decision making, performance appraisals, and policy making are a few examples of management essentials that become involved in the concept. However, as Mali pointed out, "the management essential that has been its historical taproot is coordinated decentralization".<sup>28</sup>

Mali described the concept of MBO as it operates in the Honeywell Corporation. When Honeywell decided to make managing by objectives a corporation-wide philosophy for all its profit centers, it brought greater precision of thinking, planning, activating, coordinating, and controlling to its managers. The concept gave them a sense of focus and concentration. They experienced managing by objectives as a total approach to the task of management. They did not regard the concepts as a program, a staff activity, or a panacea for an immediate problem; rather, it was the heart and core of managing the organization.<sup>29</sup>

The job of managing at Honeywell previous to the adoption of MBO was described as unpredictable, as almost a game of chance. The conditions prevailing at that time were described as follows:

Less than a decade ago, neither decentralization nor management by objectives was prevalent at Honeywell. The company prided itself on its use of an informal management style. Although it had grown from \$24 million in sales in 1941 to \$470 million in 1961, it preferred to operate like a relatively small company. Management of the company rested personally in the hands of the chairman, Harold B. Sweatt, and a small group of close associates. They made most of the

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<sup>28</sup>Ibid.

<sup>29</sup>Ibid., p. 5.

important decisions and a great many minor ones.<sup>30</sup>

According to one experienced manager at Honeywell, there are two important musts if either decentralization or management by objectives is to be of value:

1. The company must really mean to use them--otherwise don't bother to try to teach them.
2. The company must build them into the management system--otherwise no manager can really learn to use them.<sup>31</sup>

Mali explained the experience of the 3M Company with management by objectives. The 3M Company noted the strong tendency in its operation to assume that the important goals of a unit were well-known and understood. The degree to which this is or is not true often makes the difference between mediocre and outstanding accomplishments. By using the approach of managing by objectives at all levels of supervision, a clarity was brought about in the mission and results of the units. The 3M Company personnel noted that the MBO way of managing tended to eliminate the "political" atmosphere; that is, the need to try to guess what the boss wanted and how far to go to please him no matter what he seemed to want. In this company MBO also eliminated the confusion in directions that formerly ensued when there was a turnover in management at the higher levels.<sup>32</sup>

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<sup>30</sup>Conference Board, Managing by and with Objectives, Study No. 212, (New York: Conference Board, 1968), p. 21.

<sup>31</sup>Ibid., p. 26.

<sup>32</sup>Mali, Op. Cit., p. 5.

### Maintenance Implications

A fundamental prerequisite for MBO to work is top leadership commitment to the system as a total management philosophy. That commitment must be exhibited in performance and hard work. Some may believe that the system works well enough in private enterprise but cannot be used successfully in a non-profit institution such as a public school system. Olsson spoke directly to this point when he said:

One of the biggest deterrents to the individual's accepting and using any general principle or concept is his feeling that his is a unique situation. Managers are no exception. They are often hesitant, sometimes even obstinate, about applying a new management concept to an old situation. Even though the concept has been proved valid, the manager may say, "Yes, but that's a different kind of business. They don't have nearly the number of problems we have."

The manager is forgetting that even though organizations do differ in degree and kind, they are fundamentally the same. Some organizations may inherently have more "problems" than others, but this does not mean the same principles or concepts of sound management cannot be applied successfully to solve these problems.

All enterprises are similar in that they require people, money, and a basic idea of what is to be accomplished. Because of this essential similarity, management by objectives can be applied to any type of organization.<sup>33</sup>

The failure of many organizations to understand fully and to view management by objectives as a total concept or philosophy of management and to recognize that a total commitment to its underlying philosophy is required in order to implement it successfully has

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<sup>33</sup>David E. Olsson, Management by Objectives, (Palo Alto, California: Pacific Books, 1968), pp. 10-11.

resulted in failure. The failure, however, is not in MBO; it is the result of ineffective management. Molander stated the case this way:

In practice many organizations have lost sight of, or have difficulty in implementing, the basic philosophy which underpins the techniques of MBO--as a result, there are wide differences in opinion concerning its effectiveness. In some cases failure is almost certainly due to a management's attempt to use MBO as a method of sustaining or reinforcing an existing managerial ideology totally at variance with that which prompted Drucker to introduce the concept.<sup>34</sup>

Molander further proposed two main reasons for the failure of MBO to produce the expected results:

First, that the managerial ideology is ill-suited to, or at variance with, the underlying philosophy of MBO and secondly, the system is installed with little regard for the lessons of the behavioral sciences, so that often commitment to the task amongst managers falls rather than rises, and instead of there being an increase in cooperation amongst managerial groups, there is often an increase in the level and degree of organization tension.<sup>35</sup>

Molander described his experience with one firm where he served as a consultant. The firm had claimed to have satisfactorily introduced MBO. Molander found that each manager had received a Key Results Form with forty to 120 targets. There had been no prior consultant used to arrive at the targets and no procedure established for review as contemplated. "In effect the key results were simply a job specification outlining roles in great detail (including the case of a foreman, 'reducing unavoidable labour turnover by fifteen percent')." <sup>36</sup>

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<sup>34</sup>C. F. Molander, "Management by Objectives in Perspective", Journal of Management Studies, IX, No. 1 (February, 1972), pp. 74-75.

<sup>35</sup>Ibid., p. 76.

<sup>36</sup>Ibid., p. 76.

Upon investigation, Molander discovered that few in lower level management were aware that MBO had been introduced and could not state even the major components of the Key Results Form and could not find the form. "It seemed in this particular case (that) MBO was in reality a bureaucratic defense mechanism for senior management, a potentially effective controlling device to avoid overlapping responsibilities and apportion blame for shortcomings more readily."<sup>37</sup> Molander agreed that there may be instances where such a purpose is functional, but it could reduce commitment where it had previously existed. "In this case MBO was used as a stick with which to beat management. Put another way, when a basically collaborative technique is used to bolster an authoritarian managerial structure, it is small wonder that cooperation and commitment do not increase."<sup>38</sup>

An organization contemplating introduction of the concept of MBO must make an honest and total commitment to its underlying philosophy and concepts or the result will be failure, with a likely decrease in managerial commitment.

An organization which has an authoritarian concept of management must change attitudes to the extent that there is no further reliance on such techniques of managing. To quote Molander:

"where this technique (MBO) is used within what remains an authoritarian structure, the boss-subordinate relationship is indeed often the focus for win-lose struggles. Common amongst the vast range of plays open to the subordinate is that referred to by Bryan as 'suboptimization' by which he means the achievement by the subordinate of

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<sup>37</sup>Ibid., p. 76. <sup>38</sup>Ibid., p. 76.

personal goals at the expense of organizational objectives. Bryan maintains suboptimization operates in two main forms: one in which the manager deliberately selects goals which he knows he can achieve, which are simple rather than complex and are readily quantifiable, and the other in which the manager strives to avoid high risk programmes in favour of keeping the system going."<sup>39</sup>

In a Theory X environment, MBO is very susceptible to becoming a useful technique for reinforcing an already existing set of authoritarian values.

A manager's beliefs about the nature of man and his commitment to MBO as a total philosophy or concept of management as opposed to a personnel technique or other mechanism for an isolated management function is of great importance--more important than the mechanical techniques used in administering MBO. Perko, writing in the CASBO Journal of School Business Management, made this point by stating: "The most important costly resource in any educational organization is people. People make 'systems go'."<sup>40</sup> There are many ways to make managing by objectives fail. McConkey, writing in Management Review, compiled a list of twenty ways to kill management by objectives.<sup>41</sup> The list was compiled from his experience with over 300 diverse businesses and dramatizes how oversight, neglect, and lack of understanding in twenty major areas by those companies' managers largely

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<sup>39</sup>Ibid., p. 77.

<sup>40</sup>John E. Perko, "The Human Side of Management--People Make 'Systems Go'", CASBO Journal of School Business Management, XXXVIII, No. 2 (November, 1972), p. 17.

<sup>41</sup>Dale D. McConkey, "20 Ways to Kill Management by Objectives", Management Review, LXI, No. 10 (October, 1972), pp. 4-13.

accounted for the difference between a healthy and an ailing MBO program. It was McConkey's belief that the problems encountered with MBO were not the fault of weaknesses in the MBO system itself, but were caused by the weaknesses of the managers who had applied the programs. He suggested the following uses for the list:

To managers considering adoption of an MBO program, the list may be helpful in planning, for companies that have already embraced MBO and have experienced only limited success, it should serve as a debugging check-list. For still other organizations that latched onto a handy guide to killing the program much more rapidly so that they can proceed, without too much delay, to picking another pig in a poke.<sup>42</sup>

The list contained the following items: (1) consider MBO a panacea, (2) tell them their objectives, (3) leave out staff managers, (4) delegate executive direction, (5) create a paper mill, (6) ignore feedback, (7) emphasize the techniques, (8) implement overnight, (9) fail to reward, (10) have objectives but no plan, (11) stick with original program, (12) be impatient, (13) quantify everything, (14) stress objectives, not the system, (15) dramatize short-term objectives, (16) omit periodic reviews, (17) omit refresher training, (18) do not blend objectives, (19) be gutless, and (20) refuse to delegate.<sup>43</sup>

### Implementation Guidelines

In order to implement MBO successfully, the support of the top man in the organization is required. Odiorne described the conditions necessary to install the system successfully as follows:

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<sup>42</sup>Ibid., p. 4.      <sup>43</sup>Ibid., pp. 4-13.

The primary condition that must be met . . . is the support, endorsement, or permission of the principal manager in the organizational unit where the system is to be used. The premise that success for the subordinate means "helping the boss to succeed" means also that the boss must be in accord with the goals of the subordinate and must not oppose the methods he used to achieve them.<sup>44</sup>

The foregoing does not necessarily preclude any manager whose boss is not opposed to his using the system from going ahead on his own and installing MBO in his own unit, so long as he has discretionary power over the methods of management. In the public schools, the Superintendent should have the strong support of the Board of Education, but in the absence of such strong support he can still successfully introduce the system provided the Board does not object.

Brown suggested six prerequisites for successfully implementing management by objectives. They are summarized below:

1. A management development plan, or, in-service training.
2. The necessity to clarify the objectives and structure of the organization.
3. The necessity to devise an organizational chart and job specifications.
4. The necessity to set clearly understood targets against which a manager is to be assessed.
5. The wholehearted belief and support of top management and the participation of all levels of management. Both require the commitment of all managers to the policy in addition to the support of top management. In both cases, managers must see that the system is helping them to help themselves, to harmonize the pursuit of individuals with the pursuit of organizational goals.

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<sup>44</sup>George S. Odiorne, Management by Objectives: A System of Managerial Leadership, (New York: Pitman, 1965), p. 68.



6. There must be a company climate in which planned use of resources and the systematic analysis of problems is combined with an obviously sincere desire to understand human problems at all levels.<sup>45</sup>

Humble listed five keys for achieving success in implementing and maintaining an MBO system, as follows:

1. Determined and committed leadership from the top.
2. Flexibility in method and technique.
3. MBO as an undelegatable executive responsibility; but the need for a high quality advisor at launching stage.
4. An organic view of the need to change, develop and improve MBO.
5. Maintaining momentum. As Brian Viner says, "Even where this concept of management has been completely built into the business and apparently accepted, it does need constant leadership to ensure that it is kept up to the mark."<sup>46</sup>

Participation is a mandatory and key factor in the implementation and administration of an MBO system, as illustrated by Brown in the statement:

"MBO is based on the participation of all managers in the setting of targets and standards. It seeks through rigorous analysis to build upon the strengths and minimize the weaknesses of individuals as members of the organization. This approach applies to individual and to business situations. It concentrates on the key factors which influence profit performance, and is constantly seeking results and improvement. It is an intensely practical approach, seeking to secure the maximum involvement of managers in the setting of standards and targets within the parameters of the

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<sup>45</sup>Andrew M. Brown, Management Development and Management by Objectives, (Bombay, India: Somaiya Publications, 1970), pp. 15-16.

<sup>46</sup>John W. Humble, Management by Objectives in Action, (Berkshire, England: McGraw-Hill, 1970), p. 29.

company objectives, resources, and environment. It is dedicated to the belief that the important individual motivational forces are people's desires to improve performance, to know how they are getting on, and to be recognized by others, and to feel that they are being consulted and participating in the planning of their work. Participation brings with it commitment to the objectives agreed, and hence facilitates peak performance."<sup>47</sup>

Participation must be real, not contrived, stated Humble:

"For participation to have any meaning, it must be essentially participation with the boss who must be prepared to share his thinking and decision-making with his subordinates and to make frequent contact with them.

"The change in behavior must, therefore, start with the head of the unit, and where this is unlikely to be achieved (for example, some executives have personalities which preclude such a permissive style of leadership), then true participation at lower levels within the unit will not be successful."<sup>48</sup>

Who is responsible for implementing MBO in an organization?

Morrissey stated that "all members of management and, to a certain degree, all employees have a responsibility in the implementation of MOR (his term for MBO was Management by Objectives and Results). In fact, without reasonable cooperation at all levels, the likelihood of substantial success is quite limited."<sup>49</sup>

Responsibility for executive direction must be fixed. In the context of school administration, the responsibility must be placed on the Superintendent. McConkey made this point very clear

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<sup>47</sup>Brown, Op. Cit., p. 63.

<sup>48</sup>Humble, Op. Cit., p. 217.

<sup>49</sup>George L. Morrissey, Management by Objectives and Results, (Reading, Massachusetts: Addison-Wesley, 1970), p. iv.

when he stated that "without exception, every successful MBO program has borne continuously, from its very first day of implementation, the clear and unmistakeable mark of the chief executive officer."<sup>50</sup>

Morrissey defined three levels of management as follows:

Top Management usually includes the Board of Directors, the executive officers, and in some cases, the heads of major functional organizations such as production, marketing, financial, etc. The role of this group, normally, is to establish company policies, and to determine broad, total-company objectives, beginning with a clear determination of the company's roles and reason--its reasons for existence. Top management will also specify, where they are appropriate, objectives related to such things as major product lines, major markets, total sales, profitability, research and development, etc. This group is concerned primarily with the large scale "what-to-do's" and relatively little with the "how-to-do's".

Middle Management is made up of those managers, frequently department heads, who have other members of management reporting to them who are responsible for multi-organizational activities. Their starting point is clear determination of their own roles and missions, which encompass those of their subordinate managers and directly support those of their superiors. From that base, they determine their own objectives, which will be most concerned with such things as departmental production output, operational break-throughs, cost effectiveness, departmental managerial effectiveness, etc. This level of management is about equally concerned with the "what-to-do's" and the "how-to-do's".

First-line Management represents supervisors over individual employees who carry out the tasks required to meet the objectives of the organization. As with managers in the other categories, their objectives begin with a clear determination of their own roles and missions. However, these roles and missions should have been largely defined by their superiors in keeping with those of the department or organization represented. Subsequent objectives will, in general, be short-term in nature and directed toward such things as unit output, individual productivity, employee development, scrap reduction, production schedules, overtime, etc. First-line managers

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<sup>50</sup>McConkey, Op. Cit., p. 7.

generally have a heavy concern for the "how-to-do's" and a relatively modest one for the "what-to-do's" much of which will have been defined by their superiors.<sup>51</sup>

The length of time required to implement MBO successfully will vary from organization to organization. In general, a commitment to implement MBO should be made with the knowledge that the commitment is being made for a minimum of three years. Howell believed it takes four to five years to achieve a fully effective management by objectives system.<sup>52</sup> Morrissey stated that the normal time required to implement MBO successfully in a reasonably large organization (more than fifty members of management) is from three to five years, stating that benefits will accrue during each year, however.<sup>53</sup>

Other authorities with practical experience have indicated that at least three years must be allowed to implement totally management by objectives. Little will be accomplished in most instances during the first year. The second year should bring modest results, and the third year should produce good results. MBO requires a change in leadership style. The first year is taken up by developing understanding of the concepts and practicing the basic principles involved, including increased delegation. The manager

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<sup>51</sup>Morrissey, Op. Cit., p. iv.

<sup>52</sup>Robert A. Howell, "Management by Objectives--A Three Stage System", Business Horizons, XIII, No. I (February, 1970), p. 45.

<sup>53</sup>Morrissey, Op. Cit.

must allow his subordinates to fail, as stated by Humble:

How do you get a man to feel that he can make decisions? Usually by helping him lose his fear of making an error. How can you alleviate the fear of making an error? Generally, by applying what we call the Rule of Errors: If a man has a responsibility for a result, he should be permitted to make the normal errors expected in making the normal decisions necessary to achieve the result.<sup>54</sup>

Howell summarized the need for allowing adequate time when he stated:

In my estimation, it takes three years of concerned effort on the part of a management to introduce management by objectives into an organization. Many managements want a quick solution and are not willing to spend this length of time. First, the individuals in the organization should write objectives for themselves in collaboration with their superiors. The superiors should, in turn, conduct frequent evaluations of their personnel. Second, the individuals would establish more measurable objectives for themselves and start the integration of objectives in the organization. During both the first and second year, I see performance evaluations as a strict supervisory responsibility. Third, the organization can start to employ peer objective setting, thereby achieving the lateral integration of desired objectives. It can also place further emphasis on periodic review and reestablishment of objectives, finally introducing the concept of multiple performance evaluation. At the end of three years, which to some managers is a long time to wait for results, the management by objectives approach should begin to have a strong, favourable effect on the organization.<sup>55</sup>

The procedures advocated by various authorities successfully to introduce and initially implement a system of MBO vary widely at first glance. However, aside from terminology, there is much commonality in the approach. Morrissey advocated introducing the program to successive levels of management with a slightly different approach at each level.<sup>56</sup>

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<sup>54</sup>Humble, Op. Cit., p. 48.

<sup>55</sup>Robert A. Howell, "A Fresh Look at Management by Objectives", Business Horizons, X, No. 3 (Fall, 1967), p. 57.

<sup>56</sup>Morrissey, Op. Cit., pp. xiv-xv.

McConkey listed only three main steps in the process: (1) a briefing session for managers, (2) manager-subordinate review sessions, and (3) the follow-up or review step, often referred to as feedback.<sup>57</sup>

Hughes suggested eight steps in the goal-setting process, as follows:

1. Establishing specific goals to support stated purpose.
2. Determining the importance of these goals.
3. Making plans for action.
4. Arriving at performance standards and measurement criteria.
5. Stating anticipated problems.
6. Weighing the resources required to carry out the planned action.
7. Providing the interaction of organizational and individual goals.
8. Following up with actual performance measurement and evaluation.<sup>58</sup>

There are a number of sequences in introducing and implementing MBO illustrated in Humble's book. However, he summarized the steps he believed to be representative of the mainstream of thought in this area as follows:

1. Critical analysis of the company's objectives and problems and establishing specific improvement goals.
2. Setting up task force and individual responsibilities to secure the improvements.
3. Using key results analysis to examine management jobs and establish performance standards, control data, and authority.

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<sup>57</sup>McConkey, Op. Cit., pp. 42-47.

<sup>58</sup>Charles L. Hughes, Goal Setting, (New York: American Management Association, 1965), p. 42.

4. Reviewing managers' performance and potential.
5. Building up individual group training plans.
6. Planning succession and careers.<sup>59</sup>

McConkey<sup>60</sup> and others advised moving slowly in the initial stages of implementing management by objectives. From the literature three stages involved in successfully implementing MBO in an organization can be identified as (1) an orientation or briefing of managers stage, (2) the initial operational or implementation stage, and (3) the final operational stage wherein the management by objectives process becomes continuous and systematic.

#### Chapter Summary

While Peter Drucker first coined the phrase, George Odiorne is generally regarded as having refined and systematized the process called Management By Objectives.

Based on participative management strategies enumerated by McGregor and others, it consists of a process whereby the superior and subordinate managers in an organization mutually identify major areas of responsibilities in which the subordinate will work, set standards of performance and a means of measurement of results against those standards.

Many applications are recorded in the literature of the implementation of MBO and numerous sets of initiating guidelines exist. There

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<sup>59</sup>Humble, Op. Cit., p. 280.

<sup>60</sup>McConkey, Op. Cit.

are, however, many fewer illustrations of successful maintenance of MBO. It appears that several important factors exist, in fact, that tend to hinder the implementation as well as the maintenance of this process. Chief among them being lack of high-level commitment and a lack of means for adaptation and modification to occur as circumstances warrant.

It also appears that when conditions are appropriate within an organization, MBO can be successfully implemented and sustained with a relatively high payoff in accountability, creativity, and job satisfaction.



## CHAPTER III

### RESULTS OF THE INTERVIEWS

#### The Eastwood Plan of Management By Objectives

In the Introduction to Chapter I, organizational problems were reviewed which led the Eastwood Board of Education to the implementation of a Management By Objectives program. The conceptual framework which underlies MBO was established in other sections of both Chapters I and II. It is necessary at this point to specifically refer to the MBO program which was initiated in the Eastwood organization and with which the "exempt" administrators were operating. This plan is contained in Appendix I which includes the following major components:

##### Working Definitions

Twelve Step Cycle (Note: This document was the basis and the format for installation of the program. The final nine steps became the operating model for maintaining the program.)

##### Communications in Management By Objectives

##### The Goal Project Cycle

##### Measuring the Unmeasurable

##### Goal Review Form

##### Individual Performance Appraisal and Personal Development Report

##### Summary Recommendations

The Goal Project Cycle Chart is included here in Figure 1 as a reference with which to interpret interview responses and as a helpful summary to the entire Eastwood MBO program.

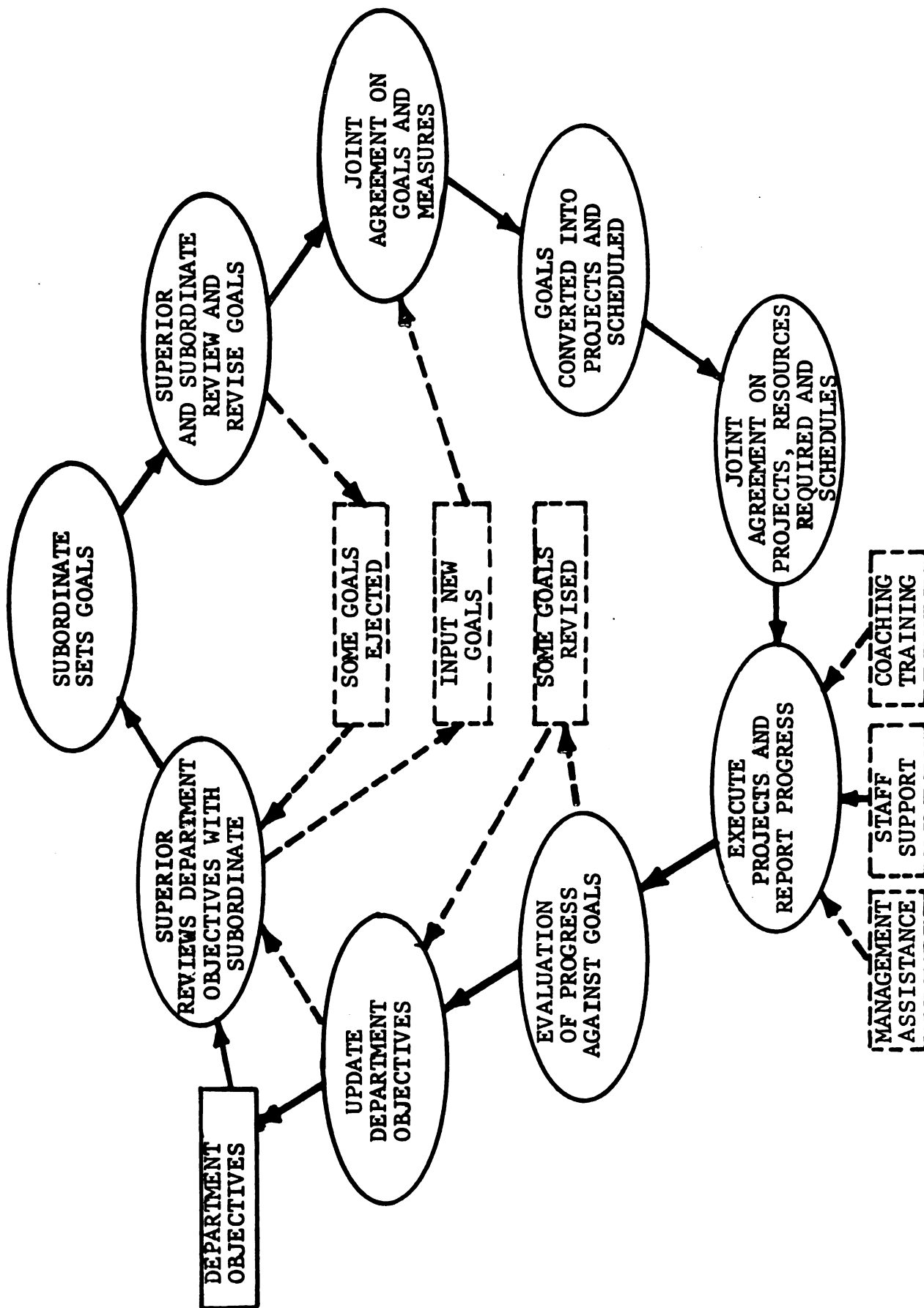
The positions which were a part of the interview process are listed in Figure 2, and, except in two cases, were all the second and third-level "exempt" administrators who had personally been participating in this MBO plan from the time of its inception to the time of the interviews. Two positions, namely Assistant in Personnel and Employee Benefits Administrator, were fourth-level administrators.

As previously indicated, the method of questioning should be considered unstructured, although the format followed the "funnel" approach; that is, the questions gradually became more specific as the responses became more specific. The sequence of the major questions discussed was as follows:

1. Please explain the process of Management By Objectives as currently practiced.
2. How do you feel about this process?
3. How do other "exempt" administrators feel about it?
4. Have your own feelings about the process been consistently maintained?
5. What has occurred to change your mind or substantiate your views?
6. Do you feel it is an effective management process?
7. How should or could it be modified to better suit the needs of the organization and the "exempt" administrative staff?

Administrators listed in Figure 2 have been designated as "A" through "K" on a random basis and are not related to the order in which they appear on the list.

THE GOAL PROJECT CYCLE



"EXEMPT" ADMINISTRATIVE POSITIONS INTERVIEWED

(Individuals in Position Since September, 1968)

Associate Superintendent - Administration

Associate Superintendent - Research Services

Administrative Assistant - Public Relations

Director - Elementary Education

Director - Special Education

Director - Vocational & Technical Education

Director - Pupil Personnel

Director - Personnel

Director - Data Processing

Assistant - Personnel

Administrator - Employee Benefits

SCHEDULED BUT NOT INTERVIEWED

(Unavailable at Scheduled Time)

Chief Accountant

Interview Responses

Question #1 - Explain the process of Management By Objectives as currently practiced.

(A) It is based on our Management Handbook. It is an orderly manner of laying out scheduled work a year at a time; the orderly completion of activities not anticipated, based on achievement of goals and objectives, more appropriate, valid. It gives a person the opportunity to get rewards based on performance. I will present to my supervisor in late Spring a list of objectives or goals which I wish to accomplish--personal goals, improvement of job activities, and regular duties and responsibilities. The list is presented to my supervisor in dialogue to check, review, delete, add to, or modify the objectives. In addition to the list, individual goals are added at any time as they arise. There is dialogue in each case; then, I work to achieve them. Evaluation is in early Spring. My supervisor and I sit down to review achievements. Pay determination follows evaluation conference. Strengths and improvement areas are discussed at the conference. At the preliminary dialogue, my supervisor and I agree on goal statements and the target dates. Supervisor might say superior, or average, or less than adequate. The criteria he uses are:

Did I accomplish it?

At the time specified?

The manner by which it was accomplished.

Degree of difficulty.

My overall evaluation (final) is highly "negotiable" and is dependent on my ability to convince supervisor of quality of work. Outside of completion dates, the qualitative assessments are judgmental on the part of the supervisor.

- (B) District-wide goals were not furnished this year. We were concerned that our goals may not be harmonious with other divisions. Divisional goals will be coordinated by the supervisor. We really feel a need for district goals. The first year with MBO the district goals were too general and we could not relate to them.

Goal setting occurred last summer and there was good understanding at that time. Now report forms have to be filled out for my supervisor's use to evaluate me. I have felt a lack of inter-departmental coordination. There is no general recycling. There are many comparisons to the stability of the first year process and the lack of continuity with that. There were no goal review forms used this year. No follow-up this year like the interim checkpoint system.

I would expect "more than adequate" to be assigned, based on my previous experience with being rated on other goals. I do not consider the expectation of "superior" since access to that category is so severely limited. I really have no conception of what it takes to achieve "superior" ratings. Industry has

much better, more objective criteria to use in assessing results, qualitatively.

- (C) The practice is to submit goals to be completed the following year. We are held accountable at the end of the year for goal achievement. It is a very loosely organized system of goals. We found our directions turning out differently this year because of union problems. To some extent we forgot our goals because of other problems we had to solve. We are so involved in day-to-day work that we have not worked problems into the process and instead are solving emergency goals.
- I prepared my current list of goals in January. I expect to be held accountable for these at the annual review. My supervisor and I did agree on goals but did not discuss measures of assessment which would be used.
- I do not know if or how my supervisor will rate any one of the goals. I assume he will use some kind of scale. I do not know what criteria will be used. I do not know how to achieve "superior" rating. A formalized evaluation process will be taking place soon at which time all goals and other things will be evaluated.
- (D) It is a method to accomplish more. You review previous year's goals and the timing of them, and attempt to better coordinate district and departmental activities.
- A list of goals is made three times a year. The first list is reviewed and rewritten three times a year. The list is kept by me. Some verbal discussions take place.

My supervisor goes over the general duties of my job, checks the list, and points out things I might have omitted. There is no discussion of measurement criteria at this point.

At the end of the year, the list is turned in to my supervisor with my own assessment of progress made and my supervisor assesses performance. I do not know what it takes to achieve a "superior" rating, or any rating for that matter.

The purpose of the verbal discussion is to assess overall aims for the year. The process is repeated once more later; then, the performance review is held. Goals are filled out on a form supplied by the district in order of importance and turned in to the supervisor who uses them to develop an overall rating. Each goal is reviewed and evaluated in terms of the supervisor's perceptions. The supervisor uses the following criteria:

1. Workability;
2. Smoothness of Operation;
3. Completeness;
4. Does it cause other problems?

It is essentially a subjective analysis by the supervisor.

- (E) I don't think MBO is practiced at this time. If it were, we would be identifying goals. We would first recognize district objectives. I am not aware of any since it first started. It does not operate from district level. At the divisional level I am not conscious of district objectives or division objectives related to the district in a systematic way. I have informal contact with district goals through conversations with others. On the other hand, I personally believe in district objectives from the bottom up.



I think I should have a variety of goals tailored to needs of my job and district needs. If there were stated district goals, mine should be related in some way. I have a nasty suspicion that district objectives are not mentionable, such as: breaking the teachers' union, a financial commitment to strapping the district. I have not filled out a goal form in two years and even when I did, it did not function right. We have never had a smooth operation up and down of a goal-setting process. There is no dialogue on specific goals with the supervisor on mutual commitment, definition of evaluation criteria or completion and assessment of performance over that goal. People do not want to mess around with the paperwork nor to specifically state the goal nor the manner of assessment. In the 1968-69 school year I had forty open goals. There was no systematic method of approval, follow-through, or how they were assessed. It's like a Virginia reel with no one else to lock arms with.

I last prepared my own list of goals in November, 1971. There has been no conference yet with my supervisor to discuss them. My supervisor does not know I'm doing most of these things. I don't know what my supervisor's goals are. I don't know when I will be evaluated, but I have submitted my Administrative Evaluation Report with my list of goals in all categories February 18, 1972.

I have no evidence as to how I will be assessed on a particular goal. I think my supervisor should think about instances of

of my conduct in leadership situations and decide how I did in contrast to one year ago. I expect the assessment to be the judgment of my supervisor based on the results I achieve.

I don't know how my supervisor perceives leadership. I'd like to know what his perceptions are so I could continue to improve on his terms. It would be helpful to have a conference on our perception of goal statements at the time of accepting them as goals. I don't think my supervisor has thought about criteria on assessing performance of my goals.

- (F) Are we practicing it? It's a statement of objectives and goals. Both short and long range, with periodic evaluation. You must first understand the process through in-service training; then, make a comparison of objectives with job specifications. Goals are sub-items of objectives. A list of objectives must be written up; then, goals are reviewed and approved by the supervisor. Adjustments are made by both at a conference and then reviewed annually. I have no clear-cut definition of what superior performance is or will be. I do not know what criteria my supervisor will use in evaluating my performance.
- (Goal example is given here).

My supervisor doesn't really know what's involved. To him it looks routine. If he knew all that's involved, he would be able to give a more accurate evaluation. I think the supervisor's criteria is the number of complaints.

- (G) It is a formalized plan of accountability for "exempt" administrators and the Board of Education. Each year objectives and goals

are established relative to my job. I use the job description as a basis. We were advised to omit day-to-day activities by our supervisors since these have to be done anyway. We tried creative goals but didn't have time for creative and personal goals. These are unachievable. The ones I select are based on items in my job description.

A dialogue with my supervisor adds to, deletes, or modifies the list. At the conclusion, we agree on what my goals are for the year. We agree also on the degree of achievement.

Goals should be more clearly defined and specific since they are too loose and general, and measurement consequently is more difficult. I don't always know what measurement indicators are to be used in the subsequent evaluation by my supervisor. It would help if I did.

- (H) As I'm aware, it is not practiced in a form that we originally learned. A supervisor tells his subordinate to list goals appropriate for his job. You are evaluated on the regular job plus goals. No distinctions are made as to creative and personal goals. Merit pay is not based on goal achievements to original extent. The whole thing has been tempered by three or four influences since the beginning. The consultants had not trained staff to same degree of awareness. There was inadequate explanation and improper orientation.
- The turnover of top-level personnel has been a factor. New people uncommitted to MBO are here now. The only thing remaining is goal setting. We are still straining with growth

problems. Politics is another influence. Certain elements of MBO have faded away. Some people are being evaluated on a political basis rather than goal achievement. Public pressures sway the evaluation of personnel.

I list my goals when advised to do so. These are studied by my supervisor and adjusted and revised based on higher-level needs. Agreement is finally reached.

(Goal sample provided).

There was no discussion as to how I would be evaluated on this particular goal. My supervisor's criteria:

1. That I have worked on this extensively;
2. That I have provided periodic written memos relative to topic;
3. Verbal reports;
4. Informal verification from others.

My supervisor did not spell out in advance the measurement criteria he is using. The assessment will take place subjectively at review time. I do not know how well I did on that goal until he tells me. He may rate it high or low and he may or may not tell me why. I don't think we get an individual rating on each goal.

- (I) It's quite informal this school year. A minimum of attention is given to sequential accomplishments of goals and any specific evaluation has a generalized approach.

The list of goals is very general. No target dates are specified. No sub-elements. I arranged a conference with my supervisor to

discuss these goals. The conference dealt with mechanics--not whether they should be done but whether they should be on the list. My supervisor and I established priorities for me outside of the MBO conference. It was more subjective than before and the conference was devoted to fitting into the formal structure that which we want to do rather than what is actually done.

The MBO process emphasizes attention to special jobs, projects and improvements.

The final record of performance rating takes into account more than the agreed upon goals. Very little time is given to MBO per se.

(Sample goal is provided).

There are no performance or success criteria indicated. I am unable to distinguish between expected performance in terms of various ratings. The overall rating on total performance and individual goals is made on subjective judgment of the supervisor. There is emphasis on results, generally. Regular, routine, recurring jobs are not a part of the formal MBO process.

- (J) The theory is good but the application is distorted. The emphasis is on philosophy. People are trapped when they make objectives; they can be used against you. It's a way of organizing to me. The concept is fantastic. We have operated day-to-day. If MBO were implemented, we could reduce problems. Currently, it's totally individual. I don't know what the objectives of others are; they're too individual. I know mine but don't know the objectives of others and I think I should know.

I need to know what "X" is planning to help me plan better.  
When some other departments make objectives, they frequently involve me.

- (K) It's a means of determining a salary increase, period, and not even that is clear. Because we all got contracts the same as last year's. It's not being implemented properly. It's not being oriented to new staff. There is no reinforcement. There's been no in-service since the Winter of 1970. I took goals and objectives set by the Superintendent and the Board and these were division goals. I lifted those most pertinent to me and made them my own.  
(Sample goal was provided).

There is no evidence that my supervisor reviewed goal accomplishment on this item in terms of my administrative performance.

The measurement criteria were to actually complete the sub-tasks.

My supervisor does not currently consult with me in the goal-setting process in very many cases.

I didn't check with my supervisor on recent goals to lock them in and commit ourselves to them because he's too busy and is not cognizant of the needs of the community and the Board. There are too many changes, too fast, too recently, making it impossible to coordinate MBO. New people are not oriented because there are too many things to do. I couldn't care less whether or not my supervisor evaluates me on goals I like to do. I don't know how my supervisor can evaluate me on anything. He doesn't know how it works or what MBO is. I use MBO independent of the "exempt" MBO structure.

Summary of Responses--Question #1

While all of the administrators referred to the act of setting goals as fundamental to the process and most of them included some form of evaluation, no one described a sequence of activities designed to accomplish the purposes for which the MBO program was originally initiated at Eastwood. Further, no two of them described the process in a similar way with respect to (1) known organizational objectives, (2) known divisional objectives, (3) interim goal review, (4) final review, (5) measurable results, or (6) feedback networks.

Collectively, the responses appear to describe a series of variations operable at the discretion of either the supervisor or subordinate within a division or department without organizational coordination.

Question #2 - How do you feel about this process?

- (A) I like the concept of developing long-range plans. I like to share plans with my supervisor.
- I do not believe supervisors should determine merit pay but rather all merit decisions should be made by one or a panel.
- (B) I think they think it's a farce. They don't put meaning on the process. Negotiations shot the work schedules of several people, for example. There are a couple of exceptions in the building who take it seriously. Generally, it's something you have to put up with.

- (C) It needs a lot of refinement. There's no continuous follow up. We seem to make goals at the beginning and we should have a chance to make adjustments during the year as new jobs come up.

I don't think we've put the time into it to make it really operate. MBO is more time consuming to operate correctly than to administer without it. Somebody tells us to do it, so we do it. The goals that we agreed upon are not always the most important things we have to do. We sometimes add things just to make a list. We should have just two or three major things. The whole job description is really a goal list.

- (D) When you're working, you must put goals aside to tackle emergency problems.

My goal is to get through the day.

The formalities of MBO are a little superfluous at times. We frequently have to drop goals and forget about them. I sometimes wonder if we are the only department that does this? I have no clear indication what other departments are doing with MBO. I don't know how my goals tie in with my supervisor's goals and the district goals. They ought to. Time seems to be the priority here. I feel a lack of conscious control over my goals and their attainment due to exigencies of the job; crises and emergencies. At times, MBO appears to be a nuisance because there's not much we can do about it due to intervening factors. The routine of the job is not part of the goal process and yet takes most of the time.



- (E) I feel we miss many opportunities to use a good way of articulating work objectives. We have the mechanism but we're not putting it to work.
- (F) Originally, success criteria were more clearly known to the supervisor and me. I feel the process could be more helpful. More study and restudy is necessary. We're only giving lip service because of the School Board's demand. I'm sure if the previous Superintendent were here, MBO would be more sophisticated. We only spend a day or two per year on it. If it were used properly, it would make me a better administrator. I would like to use it more effectively, but I need help and support. My supervisor says "cut out all that detail garbage and make it simple". Accomplishment is really not supported by any objective evidence. I see a great deal of merit in MBO but MBO does not currently exist in the district as I understand it.
- (G) It's still in its growth stages. Much progress is to be made. It merits further work and study. One factor inhibiting effectiveness is time. It is still considered as a game or academic exercise; something to be done after the real work is done, if there's time. Currently, it's about 50% effective. We've reached the half-way point, but continuing to improve. I think many are afraid of it. As we reduce judgmental factors and increase objectivity of it, people will be less afraid. We have to find ways to measure quality of achievement. I think people fear looking at quality measures. There exists a lack of

consensus regarding what quality is.

We need more emphasis of end results rather than activity.

MBO as a process is inherently more time consuming than non-MBO.

We haven't had time to devote to learning and practicing MBO processes. In-service time is very necessary. There's more incentive not to practice MBO than there is to practice it because of time limitations, staff shortages in Central Office, which inhibit the practice of MBO.

The overall rating score is, at the present time, relatively subjective.

I can, however, detect movement towards objectivity.

- (H) I guess I thought favorable of it from the beginning. I didn't agree with much of the criticism I heard from others. I haven't had the problems others have had.

Discipline of work planning is good.

Learning room for trouble-shooting is realistic.

The means whereby you and your supervisor can mutually agree on as to what is important is good.

We aren't using yardsticks to measure but this doesn't bother me.

- (I) I feel it is superior to the extent of detail that the consultant would put us to. It's a compromise between no communication and that which the consultant expounds.

I would like to see more coordination at the cabinet level.

- (J) I'm neutral. I have no idea how effective it is. I've always operated by it even before the district implementation. I only

list those goals that I'm damn sure I can accomplish and get a good rating on.

Those above you have a tendency to use all aspects of a goal to evaluate and then aren't aware of the external forces causing me to deviate or change a goal.

My overall list of concerns is used to draw out good goals (easily accomplished) to patronize the upper echelon. My own working goal list is what I use to operate the department and these are not part of the evaluation format.

The criteria used to evaluate goals on the goal review form are: If they are accomplished--it's not important how well.

I have no idea what my supervisor's criteria are going to be in evaluating my goal accomplishment.

(K) For use by myself I am very happy with MBO.

For the "exempt" structure, it is not functioning. It has been set aside and is considered as a means to reach a dollar or salary determination.

#### Summary of Responses--Question #2

In general, feelings were more positive than negative. There appeared to be considerable internalization of the potential for improved communication and at the same time an individually-oriented belief that the MBO plan had helped them in some way and that with further effort or more coordination, greater benefits could yet be realized for them as well as the organization.

Question #3 - How do other "exempt" administrators feel about it?

- (A) A lot of them agree with the concept but because of (the manner) implementation (we jumped into it). We set goals in retrospect, after the fact, rather than preplanning goals. If we had time and effort we could do a better job as a whole "exempt" group. I don't believe the "exempts" are practicing MBO. It currently saves me time the way I do it as opposed to non-sharing, non-goal-setting processes.
- (B) MBO is nice but we don't want it.
- (C) I just don't know. I wonder if they are doing and to what extent.
- (D) It hasn't found favor among "exempts". It was never clear just what it was. It was as if MBO people flew in, flew out and left us with this process without complete or full understanding of what it was. (I feel) bewilderment at times.
- (E) I think they feel it is a nuisance. They hold it in some contempt. Newcomers have no training in MBO. They don't seem motivated. Our original motivator was external.
- (F) We don't have, or discuss this. I have no knowledge of how they feel about it.
- (G) Others have accepted MBO as something here to stay. It has been forced on the "exempt" administrators. I think that a slim majority of "exempts" would vote to retain MBO. I think fewer and fewer games are being played. There's less

lip service and more practice.

Non-exempts are fearful of it. They don't believe unionism and MBO are compatible.

They think that unionism would have to be subordinate to MBO.

(H) I suspect some of them feel we're not even using it.

Some feel we're using the basic elements.

I don't know how they like it. It's not discussed anymore.

It's a passe item.

(I) I don't know. Just meet the minimum. No complaints.

(J) Same way I do. They are more concerned about self-preservation than I am. They think it's a big game. The upper echelon really wants me to put down what is pleasing and non-threatening to them and to the Board.

(K) They laugh at it. They don't think it's being practiced as it was taught.

### Summary of Responses--Question #3

While Question #2 responses indicated some internalization of potential value, the responses here, somewhat surprisingly, tend to indicate that, as it appears to the individual, others either do not practice it or do not value the process.

Question #4 - Have your own feelings about the process been consistently maintained?

(A) No.

- (B) Originally I had certain reservations. The district was sincere about trying to get MBO started. There was a moment that I felt sort of excited about it. It seemed to center on the final rating. I saw the initial enthusiasm slowly die and it changed to something that had to be done.
- It seems there should be a group review of accomplishment and review of progress and a look at the district position. I don't know how the top boss really feels about it.
- (It's) helpful in planning and keeping my boss informed. It keeps you honest.
- (C) My other duties like working with principals and curriculum improvement are more important to the district as opposed to my list of goals.
- (D) I think I've mellowed toward it somewhat.
- (E) I had a positive reaction at the beginning. It seemed like a good process. My feeling is the same but I now have (negative) feelings about implementing it. I was using this method prior to November, 1968. It seems to have been implemented wrong by immediately tying it to salaries. The authoritative manner of implementing induced resistance to it.
- (F) I still think it could be a valuable tool and a big help.
- (G) I have felt the same way right from the beginning. But I didn't have a chance to vote on it when it started. There seems to be a lack of commitment to the process.

The decision by the Board to implement this without choice has been a major inhibitor. Had we voted negatively, those in favor, I think, would have moved to experiment with it.

- (H) Mine has been generally positive.
- (I) Before (the consultants came in) we had a real need for pre-planning. I had hoped the MBO process could effectively help us. (The consultants) plan is a little too detailed for the time we have available. It requires more time than we have.
- (J) Originally I honestly thought it could be terrific. We have distorted it to meet needs of recognition and prestige of individuals.
- (K) I thought a lot better of it originally.

#### Summary of Responses--Question #4

In general, it appears the program was implemented with some anxiety and uncertainty on the part of the group as well as hope that such a system might be helpful and that these feelings have remained essentially unchanged.

#### Question #5 - What has occurred to change your mind or substantiate your views?

- (A) We have moved away from the firm practices of 1968. Maybe because of other work. There is a lack of MBO coordination. We didn't articulate it, in-service it, or share it.

- (B) Nothing.
- (C) (There was) a real bad start with MBO, (involving the) method of presentation. (The consultants) didn't relate it to a school (environment). Our problems are different. We floundered first couple of years in identifying objectives which we could measure. We still don't have any. Goals assessment should be very small part of (our total) evaluation.
- (D) Writing objectives has helped to organize my work somewhat and the fact of sitting with the boss helps to determine his priorities in terms of my work.
- (E) We should have been started without reference to salaries until after it was well established, perhaps on a pilot basis. It didn't matter that I did not vote on it.
- (F) No responses.
- (G) No responses.
- (H) No responses.
- (I) No responses.
- (J) I thought it would be helpful in solving real problems with honest and open communications but it turned out to be putting down philosophical problems which are non-threatening and don't hurt anybody.



- (K) Because the "exempt" and the Board agreed to work together and share an interaction of people but these seminars have not taken place.

Summary of Responses--Question #5

The responses here tend to be somewhat contradictory to those of Question #4 in that the consensus of those discussing this question indicate that some changes in application either have occurred or should have occurred which have weakened or should have strengthened the plan.

Question #6 - Do you feel it is an effective management process?

- (A) Not as good as it could or should be. Because of the above reasons.
- (B) Yes, it does provide supervisors more control over subordinates' performance.
- (C) No, too confined, no follow-up, no goal adjustments during review period. We haven't defined "goal" adequately.
- (D) Vaguely, no. Because we don't really know what it is all about and whether we are utilizing it as we should.
- (E) I don't feel it exists right now. We are using such a small fragment of it it's not fair to assess MBO as a process.
- (F) No responses.
- (G) You constantly know where you stand.  
You know where you are and how to justify your existence.

(It has) helped budget development. We are familiar with each other's goals at this level. The lower echelon should exchange goal information also.

(I'm) much happier with salary determination with MBO.

I don't have to back up to the pay window.

It's much easier to explain to citizens as to what we are doing.

We are more accountable with it even though we still have problems.

- (H) It is effective but probably not nearly so much as if it were being used properly.
- (I) Yes, because it gives attention to goals above and beyond the job and helps in the coordination of them. It establishes the expectation for looking beyond the job description.
- (J) I don't think so. It is a distortion of the original intent. It has come to meet the needs of those above at the expense of my needs. I don't think the real problems were ever acknowledged. I had the feeling my job was on the line if I listed and recognized the real problems of this department.
- (K) It's not being practiced as I originally understood it. I have not been involved in the process so I am unaware of the fact of implementation. It's not being performed or executed as written in the Management Handbook.

Summary of Responses--Question #6

There appears to be considerable indication that, as practiced, it is not currently an effective management technique but that there still exists potential for greater payoff with additional review and modification of the program.

Question #7 - How should or could it be modified to better suit the needs of the organization and the "exempt" administrative staff?

- (A) We have to approach it as a total group, understand it together, and then practice it reinforced by: in-service time and large group-learning sessions.

I really think it is a good program if we could get it on the right track. I feel that in many cases goals are not being established until after the fact.

- (B) The Superintendent (should) create one or two district goals. He should then give it to the cabinet to pass down to departments to determine how they can carry these out. This should be done prior to budget development. After that, and crossing department lines to achieve coordination, the information should go back up to inform top management how the goals are being carried out.

The Superintendent and Board would then commit themselves to these goals when they approve the budget.

At the end of the year after evaluations, top management should tell the "exempts" how we met the district goals, what went wrong,

and there should be a discussion of how to improve.

There seems to be a lack of top-level commitment to MBO and (consequently) we are pretty much on our own.

- (C) (We should) go back to define district-wide goals annually. Let's really hit one or two new areas each year. Each division can determine how best to help the district reach these goals. Each department, of course, will have other department goals over and above these district goals.  
(We should) find school-oriented people to consult with on the MBO process. (It's) difficult to define expected outcomes in educational functions and processes.
- (D) The key is communications: to supervisor; how we relate to one another. We don't seem to be pulling together. Maybe once a week have department meetings; someone with the "big view" to tell us to do this or de-emphasize that. I don't know how this department relates to district problems. Are we all little islands?  
Maybe (we should) employ more initiative as individuals. I need to know where the department head wants to go.  
(We) need lots more communication regarding directions, purpose, and priorities of our work.
- (E) The Board should identify and restate the district objectives. Some programs should be started or emphasized using district goals. (This would be) a visible test of the fact that MBO can work. It would provide an example to others.

Supervisory people should be motivated to give recognition to people who set goals. I have found great resistance to my goal setting. My efforts have been pigeonholed. It seems too hard to do.

Maybe the Board should clearly abandon it as too cumbersome, too paper-oriented, so as not to pretend anymore. I think if I went around I would find that goal setting is not taking place. (There is) very little systematic approach to the whole process.

- (F) I would have another in-depth training program to make sure everyone understands it in the same way to achieve uniformity of approach. Primarily, we need to be together on this. We need to coordinate our division's goals with those of the district and other divisions. We should have tried the process out before tying it to merit pay. I think that is the big thing that killed it. They (the organized administrators) laughed at it and I'm sure it had a lot to do with the formation of their bargaining unit of administrators.
- (G) Evaluation criteria needs to be established with consensus. Goal evaluation needs to be placed on a more objective basis. The concept that says only a (limited number) of employees can earn merit should be modified. Theoretically, if all administrators did superior work only (a limited number) would earn superior pay.

- (H) I would make a district commitment wholeheartedly that this is the way we're going to run.

I would go back to annual planning by all administrators in late Spring. Long range objectives must be developed in relation to the budget. Periodic sessions (should be held) regarding total team progress and new district pressures and problems, outside of the regular work day. (We should) reestablish firm team feeling and reaffirm our faith in MBO with common understandings about the process.

- (I) We need more positive attention to what MBO is today. We should define what it is and what is expected as the minimum essential routine.

There are many different concepts. We have different interpretations. We need more unity as to understanding the framework. We should do goal setting prior to budget development and also after budget development. We need awareness at each level and a sharpening of coordination. There is need for formal understanding of the process and results expected in this district. Our Management Handbook has a lot of language which is not being used. The main emphasis should be in arriving at a consensus decision about goals and how many of them are to be converted to paperwork.

- (J) I suggest each administrator be put in the position of stating his honest objectives and be accountable for solving them and to be evaluated by his peers. In a group of three I might have

a chance. My whole evaluation this year is going to be based on whether I solve one particular problem, not how well I do on all the others. I would like to be more accountable to the Board than I am and not have to go through the chain of command.

- (K) We should spend some money on a thorough in-service program to explain the process. Include the Board and all "exempts". We all need to know the details of the process, the necessary relationships, the value of it, how does it function and how to relate it to the activities of the individual administrator. It might have worked better if dollars (salary) had not been immediately tied to it. The existing system has to be thrown out and started over.

#### Summary of Responses--Question #7

There appears to be a high level of agreement that by re-defining district objectives on an annual basis and by providing in-service opportunities to discuss this MBO plan, significant value and improvement in its application could be achieved. It also appears that a formalized feedback mechanism, while not specifically mentioned, is being asked for; one which makes possible or requires communication as confusion or other problems develop.

## CHAPTER IV

### ANALYSIS, CONCLUSIONS AND RECOMMENDATIONS

#### Analysis of Interview Responses

While the schematic shown on Figure 1 (Page 59) indicates the MBO process cycle begins with a review of department objectives, none of the eleven administrators mentioned this as being a part of the current process. In some instances there appeared to be a felt need for designated district objectives with which to identify, such as:

"At divisional level I am not conscious of district objectives or divisional objectives related to the district in a systematic way."

"I think I should have goals tailored to needs of my job and district needs."

"If there were district objectives, mine should be related in some ways."

"District goals were not furnished this year."

The next two steps whereby the subordinate sets his own goals and these are reviewed at the beginning of the performance period appears to be taking place for most of them. According to the responses, however, there is little or no systematic agreement or detail developed in the next three steps which call for:

1. Joint agreement on goals and measures (to be used to assess performance, both quantitatively or qualitatively).



2. Goals converted to projects and scheduled.

3. Agreement on projects, resources required and scheduled.

The technical aspects of goal development appeared to be relatively informal and the degree of internalization seemed to vary from individual to individual as evidenced by their concern expressed in these comments:

"A minimum of attention to sequential accomplishment of goals and any specific evaluation. It's quite informal."

"No specifics or target dates. No substantive elements."

"There is no discussion of measurement criteria at this point."

"I do not know what it takes to achieve a superior rating, or any rating for that matter."

"My supervisor and I did agree on goals but did not discuss measures of assessment which would be used."

It also became evident that lists of goals in some cases were quite fluid and changed within the dimensions of individual discretion.

"To some extent we forgot our goals (this year) because of other problems we had to solve."

"I didn't check with my boss on recent goals I selected because he's too busy."

"There's too many changes too fast, making it impossible to coordinate MBO."

In the actual execution of stated goals and the evaluation of them at the performance review step, the administrators had considerable difficulty in sensing a high degree of correlation between the two or objectivity in the review process. For example, the following excerpts from the interviews point to this difficulty:

"Assessment will take place subjectively at review time."

"I think he (supervisor) will evaluate me primarily on initiative."

"Some people are being evaluated on political basis rather than goal achievement."

"Public pressures sway the evaluation."

"I only list those that I'm damn sure I can accomplish and get a good rating on."

"I think my supervisor's criteria is the number of complaints."

"I don't know how my supervisor can evaluate me on anything. He doesn't know how it works."

The feeling that assessment based on goal achievement was not taking place was universally expressed and that the assessments made were highly subjective by criteria which were not usually known to the subordinate.

Lastly, there was no mention at all of updating department objectives for a subsequent review period.

#### Overall Perceptions of MBO Process

Overall, the responses indicated an identification with and internalization of some parts of the process which the administrators found personally useful. There appeared to be a universal disappointment with the implementation of the process as a whole.

The actual breakdown of this plan of MBO as a functioning process appears to have been acknowledged through such key statements as:

"It needs a lot of refinement. There's no follow-up. To do it right would be much more time consuming."

"I don't think MBO is practiced right now."

"It's not being implemented properly."

"Merits further work and study. Still considered as a game. Something to be done after the real work is out of the way."

"I would like to use it more but I need help."

"MBO does not exist as I understand it."

"The theory is good but the application is distorted."

#### Perceived Acceptance By Others

In general, those interviewed tended to feel that others had somewhat the same regard for the process as they did, although a frequent response was that they didn't really know for sure, indicating a lack of communication on this particular topic.

Some of the more relevant comments were:

"I suspect some of them feel we're not even using it."

"Same way I do. They think it's a big game."

"It hasn't found favor among 'exempts'."

"A lot of them agree with the concept."

"They laugh at it."

"I think they feel it is a nuisance."

#### Perceptual Alterations Over Time

Most indications were that the administrators involved in this MBO plan felt much more positive about it when it began but that it had not lived up to their expectations. Declining acceptance is best revealed as follows:

"I had a positive reaction at the beginning."

"I thought a lot better of it originally."

"Originally, I honestly thought it could be terrific. We've distorted it to meet the needs of individuals."

"I had hopes it could help us plan better but it would take too much time to use (the West and Company) plan."

#### Perceptions of Evolutionary Deterioration of Plan

The majority of the administrators interviewed felt quite positive about the potential value of the MBO system but that its current deficiencies inhibited successful use of it, especially from an organizational point of view. Several responses appear to center on the disintegration of coordination as evidenced by:

"I don't feel it exists right now. We're using such a small fragment of it that it is not fair to assess MBO as a process."

"No. Too undefined. No follow-up. No goal adjustments. We haven't defined 'goal' adequately."

"It's not being practiced as I understood it. I have not been involved in the process so don't know if it's being implemented at all."

"It's a distortion of the original intent."

"We've moved away from the firm practice of '68. We lack coordination and sharing."

"It's effective but probably not nearly so as if it were being used properly."

#### Individual Suggestions for Modification

Almost unanimous desire was expressed for more training, more communication, more coordination and an opportunity for problem-solving discussions on MBO, such as:

"I would make a district commitment, wholeheartedly, that this is the way we're going to operate. I would also go back to annual planning."

"Long-range objectives must be developed in relation to budget. Also, periodic sessions regarding total progress of management team toward their goals with a review of upcoming problems and pressures."

"We need more positive attention to what MBO is today. There are many different concepts and we all have different interpretations. We should have unity as to understanding the framework."

"Need formal understanding of the process and the results expected in this district."

"Suggest each administrator be put in position of stating honest goals and be accountable for solving them."

"The key is communication with supervisor. How we relate to one another. We don't seem to be pulling together. Maybe once a week department meeting to review the big picture."

"I'd have another in-depth training program to make sure everyone understands it in the same way. Primarily, we need to be together on this. We need to coordinate our department and division goals with those of the district."

"Evaluation criteria needs to be established with consensus."

"We have to approach it as a total group, understand it together and then practice it together."

"It should be reinforced by in-service time and large group training time."

"We need a thorough in-service program to explain the process."

"Existing system has to be thrown out and start over."

"Go back to defining district goals annually. Find school-oriented people to consult with on the MBO process."

"The Board should identify or re-state district objectives. Supervisory people should be motivated to give recognition to people who set goals."

"At the end of the year, after evaluations, the top management should meet with all 'exempts' and discuss how well we met district goals, what went wrong and how we might improve as a team."

#### Analysis of Consultant Technique

The conception, implementation and practice of Management By Objectives in Eastwood Public Schools, when viewed from the perspective of the literature and results as perceived by the local practitioners,

are subject to several significant interpretations.

As previously indicated in Chapters I and II, the implementation of Management By Objectives may be viewed as an Organizational Development (OD) activity which, according to Wendell French, means a long-range effort to improve on organization's capabilities in solving problems and coping with changes in its external environment.<sup>1</sup> He adds that the typical OD objectives include the following:

1. Increase the level of trust and support among organizational members.
2. Increase the incidence of confronting organizational problems instead of "sweeping them under the rug".
3. Create an environment in which the authority of an assigned role is augmented by personal authority based on expertise and knowledge.
4. Increase the openness of communications, laterally, vertically, and diagonally.
5. Increase the level of personal enthusiasm and satisfaction in the organization.
6. Find synergistic solutions to problems with greater frequency.
7. Increase the level of self and group responsibility in planning and implementation.

French's list contains many of the same concepts as does the Eastwood consultant's in its purposes for MBO, especially with reference to planning, communications and problem solving. Faulty communications and inadequate planning are frequently referred to in the consultant's report to the Eastwood Board of Education and, in fact, these two processes are considered most important to a great many business organizations.

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<sup>1</sup>Wendell French, The Personnel Management Process, (New York: Houghton Mifflin, 1970), p. 552.

Before proceeding to an analysis of change models compared to that used by the Eastwood consultant, it is appropriate to briefly summarize the dimensions of the changes which they recommended. In their totality, they may be viewed as a fundamental departure from past practice, involving as they do, new sets of relationships with an administrator's superior and subordinates in defining job tasks, setting written work schedules and establishing individual accountability as well as a completely new compensation package.

At any rate, once the need for change is established or becomes apparent, as was the case with the Superintendent and Board of Eastwood Schools, the way in which the organization perceives the change process should be assessed in terms of some criteria to determine potential for change such as these set up by Bennis:<sup>2</sup>

1. The client system should have as much understanding of the change and its consequences, as much influence in developing and controlling the fate of the change, and as much trust in the initiation of the change as possible.
2. The change effort should be perceived as being self-motivated and voluntary as possible. This can be effected through the legitimization and reinforcement of the change by the top-management group and by the significant reference groups adjacent to the client system.
3. The change program must include emotional, value, and cognitive elements for successful implementation. It is very doubtful that sole reliance on rational persuasion will be sufficient.
4. The change agent can be crucial in reducing the resistance to change. As long as the agent acts congruently with the principles of the program and as long as the client has a chance to test competence and motives (his own and the agent's), the agent should be able to provide the psychological support so necessary during the risky phases of change.

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<sup>2</sup>Warren Bennis, "Theory and Practice in Applying Behavioral Science to Planned Organizational Change", in Emerging Concepts in Management, ed. by Max Wortman and Fred Luthans, (London, Ontario: The MacMillan Co., 1969), p. 208.

If, by client system, Bennis means those upon whom the change is to be effected, the Eastwood consultant's process falls short, since the decisions relative to the nature of the changes and the development of action procedures were all established at the Superintendent and Board level, prior to the implementation process. With the exception of the Superintendent, there was no formal communication between the administrative staff and the Board of Education during the planning phase which might have facilitated emotional involvement and feedback constructive to the program. Once implementation began there appeared to be little or no opportunity for modification of basic procedures or structural relationships. It must, therefore, be regarded as doubtful that the process could be viewed by the staff as self-motivated or voluntary to any significant degree.

The orientation program provided to second and third-level administrators was entirely cognitive by nature since, again referring to the West and Company report, they spent their time with individuals developing goal-setting skills and their group time promoting "a basic understanding of concepts, processes and methodology of MBO". One must conclude that little or no effort was expended on the emotional or psychological aspects of this change process as related to individual values or informal group norms.

That such effort would have been important is supported by Lawrence and Lorsch<sup>3</sup> who suggest that considerable option exists in determining how extensive the change program needs to be.

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<sup>3</sup>Paul R. Lawrence and Jay W. Lorsch, Developing Organizations: Diagnosis and Action, (Reading, Mass.: Addison-Wesley, 1969), p. 87.



CHANGE TARGET	METHOD	COG-EMOT MIX
<u>Modest Change</u>		<u>Cognitive</u>
1. Interaction patterns	New paper coordination methods, budgets, schedules, new communication channels.	
2. Role expectations	Intensive educational programs, new divisions of labor and authority structure.	
3. Orientations and values	New reward systems, different leadership styles.	
4. Basic motives achievement, power, etc.	New selection criteria, replace incumbents, major strategy changes.	
Fundamental Change		Emotional

As the change target becomes more widespread or fundamental, the emphasis on developing and working with emotional factors becomes increasingly important.

Normally, intervention strategies designed to induce permanent change in values, procedures and supervisor-subordinate roles require more than simply "rational persuasion" and most change models reflect this by including team development and/or laboratory sessions as well as feedback systems and planned evaluation procedures as part of the total process.

The consultant's model permitted or encouraged little or no feedback due to its well-developed and detailed status and Board commitment to it prior to the intervention stage. In addition, there was no role re-training, committee structure nor process evaluation procedures built into the program below the level of Superintendent's

cabinet. The closest that the consultant's model came to laboratory training or team building were the "orientation" meetings with second and third-level administrators where explanations and lectures were provided to acquaint them with the details of the plan and instruct them in the procedures.

Other important aspects of the implementation of MBO in the Eastwood Schools and yet apparently not covered by the consultants in their strategy, have to do with potential resistance to change and conflict, both perceived and manifest. While these factors were beyond the scope of this paper, it must be regarded as possible that they influenced the success of the implementation as well as the perceptions and behavior of the involved administrators.

### Conclusions

Based on the perceptual responses of the administrators involved in the interviews and the analysis of the consultant techniques and strategies, it is concluded that:

1. The original purposes for implementing MBO stated by the consultants in their report to the Board have not effectively been met and its status appears to be deteriorating. Improved planning and coordination of effort are perceived, generally, as not occurring. Individual and functional responsibilities as a result of the MBO process are not recognized as clearly designated. Communications between departments and divisions are viewed as a growing rather than diminishing problem and individual contributions are considered to be identified by subjective means not directly related to goal achievement.
2. Generally, participating staff view MBO as malfunctioning or non-existent, although individually they profess to use some segments of the process constructively in their own work and support what they believe to be the theoretical model of MBO.

3. They believe MBO to be a process over and above their regular work routine and to fully integrate it would be more time consuming. They expressed differentiated deviations from the policy model at almost all steps of the process and strongly felt a lack of conformity within the organization.
4. By and large they feel it has or is disintegrating through an overall lack of district objectives, coordination, in-service and communications.

In assessing the role of the consultant in this intervention process as essentially a cognitive force, it is entirely possible that Lewin's (1947) three-phase analysis criteria were not met in any one or all three phases. The "unfreezing" process may not have been complete since internal and group values were apparently not dealt with in any systematic way. There was considerable structural "movement" which did result in some behavioral changes as evidenced by a residue of commitment to and practice of segments of MBO. In addition, the consultants left it to the organization to "refreeze" and this may never have occurred.

Using Lippitt, Watson and Westley's seven-phase change model (1958) as a comparison base, it is conceivable that while the Superintendent and the Board recognized a need for change, the involved administrators, though participating in the orientations with enthusiasm, may not have actually "felt" this need. Also, there appears to have been little or no cognition of alternative solutions to the nature of the organizational problems. Stabilization of the new level of functioning was likely not complete nor continuity assured at the time of departure of the consultant.

Looking at Marguillies and Raia's organic consultative model (1968), it would appear that the consultants acted as the only technical resources in this process, tended to focus only on problem solutions and

were highly task-oriented as opposed to process facilitators.

Argyris (1961) speaks on the subject of client dependence and the marginal role of consultants which may have been a factor in this instance. He states that:

"...most client systems are usually composed of two sub-systems. On the one hand is the group which desires to see the organization change. On the other hand are all those who are either not aware of a necessity for change, or disagree as to the proper direction for change, or resist any attempt at change. . . . If he values one sub-culture over the other, then his behavior will be perceived as 'management-dominated' or 'employee-dominated', depending upon which sub-culture he values most and who is doing the judging. Consequently, . . . his behavior will not tend to be efficient."<sup>4</sup>

While this aspect of consultant role is beyond the scope of this report, it may point to a possibility of inefficient attention to the change process resulting in over-dependency of the client system through almost exclusive use of cognitive techniques. Argyris contends that:

"A consultant who is interested in helping the organization achieve its needs in such a way that it can continue to do so with decreasing 'outside' aid must give attention to the processes by which the new plans are developed, introduced, and made a part of the organization. He will tend to invite a much greater degree of participation on the part of the clients in all phases of the program. Such participation, if it is not to become bogged down, will have to be based on effective interpersonnel and group relationships."<sup>5</sup>

The role consequences and general effectiveness of the consultant agency are subjects for further study. On the basis of the review here, it is possible, if not probable, that these factors played an important

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<sup>4</sup>Chris Argyris, "Explorations in Consultant-Client Relationships", in Organizational Development: Values, Process and Technology, ed. by Newton Margulies and Anthony Raia, (New York: McGraw Hill Book Co., 1972), p. 518.

<sup>5</sup>Argyris, p. 520.

part in the technical implementation and subsequent administrative perceptions of the change process leading to Management By Objectives in Eastwood Public Schools.

### Recommendations

It is important at this point to emphasize the distinction between Management By Objectives implementation and operation. The process of implementation represents an intervention strategy in the life of an organization and usually a fundamental change from past practice. Operation of MBO, on the other hand, is represented by the procedural aspects of a functioning system over time. While it is not possible here, to state that operational effectiveness is dependent upon the effectiveness of implementation, it appears that operational malfunctions may be a product of implementation techniques as well as design characteristics of the system.

Based on the interviews contained herein, an analysis of the change agents approach and the resulting conclusions, it is suggested that public school districts implementing a system of Management By Objectives for its management staff, should consider the following:

1. A high-level commitment to adopt a system of Management By Objectives should include provision for maintaining this commitment over a considerable period of time.
2. The implementation system should include techniques which will facilitate the internalization of the concept and operational aspects on the part of those who will be involved in it. In addition, the operational system itself should provide appropriate and frequent opportunities for feedback and staff orientation, especially in the early stages.

3. A key administrator or representative committee of involved personnel should be appointed with responsibility and authority to periodically evaluate the operational aspects of the system and develop and carry out necessary modifications.
4. Major objectives for the district as an organization should be reviewed and established on a regular basis.
5. Training sessions, on at least an annual basis, should be conducted for all who are participating in the MBO program.
6. Departmental or small group meetings should be scheduled and conducted for the purpose of assessing departmental effectiveness based on use of the system.
7. Procedurally, the system should encourage and then permit comments, suggestions, and concerns from individual participants regarding system effectiveness.
8. Considerable training and follow-up in-service should be devoted to improving individual ability to develop relevant, clearly-stated and organizationally-important objectives. This should be accomplished, in part, through group analysis of actual objectives previously established by individuals in that organization.
9. Resource persons with expertise in Management By Objectives and/or management systems generally should be introduced into the organization's feedback and in-service system on a periodic basis.
10. The Superintendent and Board of Education of a functioning MBO district should be aware of and participate in the analysis of system malfunctions and subsequent modifications.

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## APPENDIX

EASTWOOD PUBLIC SCHOOLS

WORKING DEFINITIONS

MANAGEMENT BY OBJECTIVES: The total process of developing objectives and establishing and implementing action to achieve managerial goals.

MANAGEMENT BY RESULTS: The quantitative and qualitative appraisal of achievement and the application of this knowledge to performance improvement, promotion potentialities and salary consideration.

OBJECTIVE: A broad statement of purpose.

A guide to action.

GOAL: A specific measurable target which is consistent with organization objectives.

TASK: One or more steps or activities designed to achieve a goal result.

WEST AND COMPANY, INC.

EASTWOOD PUBLIC SCHOOLS

TWELVE-STEP CYCLE

A. THREE PRECONDITION STEPS

1. Analyze and determine organizational climate.
2. Determine if the plan is to be implemented for entire organization or if it is to be installed on a pilot basis.
3. Train individuals in the concepts of Management By Objectives.

B. NINE RE-CYCLING STEPS

1. Establish long-range objectives for the organization.
2. Review the organization structure, revise commensurate with definition of functions and objectives.
3. Unit head prepares unit objectives.
4. Unit personnel propose individual goals based on unit objectives.
5. Supervisor and subordinates reach joint agreement on subordinates' goals, target dates and standards of performance.
6. Implement goal-achievement activity.
7. Feedback and review of interim results and against sub-targets and standards.
8. Final review and evaluation of performance following completion of a target date.
9. Re-cycle.

TWELVE-STEP CYCLE  
FOR INSTALLING  
MANAGEMENT BY OBJECTIVES

A. THREE PRECONDITION STEPS

1. Analyze and determine organizational climate.
  - a. Is the organization structured to permit two-way communication? Has it been effective?
  - b. Is the attitude generally one of "goal" rather than "task" orientation?
  - c. Is management "results" oriented or "pressure" oriented?
  - d. Has the organization exercised the concept of planning (immediate, short-range and long-range) and implemented programs based on this?
  - e. What is the decision-making process? Where does it occur? What is the pattern of involvement? How effective is it?
2. Determine if the plan is to be implemented for entire organization or if it is to be installed on a pilot basis.
  - a. Decision is influenced by size of organization and evaluation of organization climate.
  - b. A pilot program should involve a "key" division or department which has considerable visibility to rest of organization.
3. Train individuals in the concepts of Management By Objectives.
  - a. Most effective procedure is to use seminar method.
    - (1) Use peer groupings.
    - (2) Follow down through the organization to lowest level of participation.
  - b. Material to be presented should be condensed to the essentials and based on need to know.

- c. An effective format would be to review and study the nine "operating" steps which begin with Step #4 in the installation cycle.

## B. THE NINE RE-CYCLE STEPS

1. Establish long-range objectives for the organization.
  - a. The long-range plan should be prepared by senior management.
  - b. A long-range plan contributes to:
    - (1) Direction of total organizational effort towards an agreed-upon objective or objectives.
    - (2) Coordination of diverse efforts towards the "same" objectives.
    - (3) Objectivity in measuring results.
  - c. Long-range plans should encompass the total enterprise.
  - d. Long-range plans should include:
    - (1) Objectives one to two years out (short-term or intermediate).
    - (2) Objectives five years out (long-range or long-term).
    - (3) Provision for evaluating progress.
    - (4) Provision for updating.
2. Review the organization structure, revise commensurate with definition of functions and objectives.
  - a. Is structure consistent with stated plans of the organization?
  - b. Is the division of responsibilities adequate to facilitate achievement of stated objectives?
  - c. Are lines of authority clear and understandable?
3. Unit head prepares unit objectives.

- a. Unit objectives are derived from objectives and goals of next senior unit or directly from objectives.
  - b. These serve as a guide to total action for the unit, later to be reduced to specific goals for individual activity within the unit.
  - c. Unit objectives are reviewed with subordinate personnel.
4. Unit personnel propose individual goals based on unit objectives.
- a. A proper form of goal can be timed and measured and is consistent with unit objectives and assigned responsibilities.
  - b. A goal must be attainable but at a high performance level.
  - c. Goals fall into four general classifications:
    - (1) Routine goals.--Related to performance of routine responsibilities.
    - (2) Emergency goals.--Not elective, must be achieved due to outside pressures.
    - (3) Innovative goals.--Elective goals which are creative.
    - (4) Personal development goals.--Goals having to do with developing capability.
  - d. Preparing plans for action and implementation.
    - (1) To establish individual goals, participating personnel should:
      - (a) Review unit objectives with, and as outlined by, unit head. Determine and note specific areas for individual contribution.
      - (b) Review job functions and note objectives that should be given direct attention based on job requirements.



- (c) Prepare listing of matters which should be accomplished in the coming year but are not of a routine nature.
  - (d) List opportunities which should be taken advantage of.
  - (e) Rephrase each item on these lists as separate and distinct goals.
  - (f) Evaluate each goal in light of its practicability and importance to the objectives of the unit.
  - (g) Determine which goals can and should be accomplished this year.
  - (h) List the goals in order of their importance.
  - (i) Review the resulting list of goals with unit head and jointly modify, eliminate or add.
- (2) To develop strategies to accomplish goals, participating personnel should:
- (a) List what must be done to accomplish each goal.
    - Develop practical alternatives.
    - Arrange approach in a logical sequence of steps or tasks for implementation.
    - Establish target and sub-target dates.
  - (b) Determine the resource requirements necessary to accomplish specific goals.
    - Determine if goal achievement is to be individual or through task force.
    - Set up a "planning worksheet" for each goal.
    - Determine, or estimate, the personnel, financial, equipment, material, facilities, policy and procedural requirements.
    - Assign responsibility.

- (c) Determine the coordination with other units necessary to achieve goals.
    - List the information or action needed from other units.
    - List information or data that other units will need for effective cooperation.
    - Discuss information and assistance needs from coordinating units with responsible personnel in each such unit.
    - Set time phases on cooperative achievement.
  - (d) Establish realistic standards of performance for each goal.
  - (e) Document the procedure.
- (3) Review documented plan and procedure for implementation with the unit head for final approval.
5. Supervisor and subordinate reach joint agreement on subordinate's goals, target dates and standards of performance.
- a. Supervisor must evaluate subordinate's ability to achieve goals; determine also if goals are less than individual's potential.
  - b. Each level of management has a communication responsibility to develop understanding and secure support.
    - (1) Top management must know:
      - (a) Purpose and limitations.
      - (b) How to set objectives.
      - (c) What goals are.
      - (d) How to communicate and motivate.
    - (2) Middle management must know all of the above plus:
      - (a) Capabilities of each participant.
      - (b) How to translate objectives into goals and coordinate goals.

- (c) Business economic techniques, e.g., equipment justification.
  - (d) How to coach and counsel subordinates.
- (3) First line managers must know:
  - (a) Purpose of plan and their role in it.
  - (b) Problem-solving techniques.
  - (c) Human relation techniques.
- c. Communication in implementation requires subordinate and superior to alternately exercise the concepts of informing, persuading, exploring and deferring.
  - (1) Long-range plan:
    - (a) Determination at top levels.
    - (b) Communication is from top down.
  - (2) Setting objectives:
    - (a) Determined by executives at same level.
    - (b) Communication is first horizontal, then up for approval and finally down to inform subordinates.
  - (3) Setting goals:
    - (a) Dual determination, superior and subordinate.
    - (b) Communication is first up to superior, then up and down to discuss goals, targets, and standards and to agree upon action, then down to subordinate as final approval.
    - (c) Superior communicates up to his boss to outline intended course of action.
    - (d) Subordinate then communicates down to his subordinates and begins a repeat of the process he just completed with his superior.
- 6. Implement goal achievement activity.
  - a. Publish Gantt-type chart and review this carefully

with cooperating personnel emphasizing master target dates and sub-target dates for specific goals.

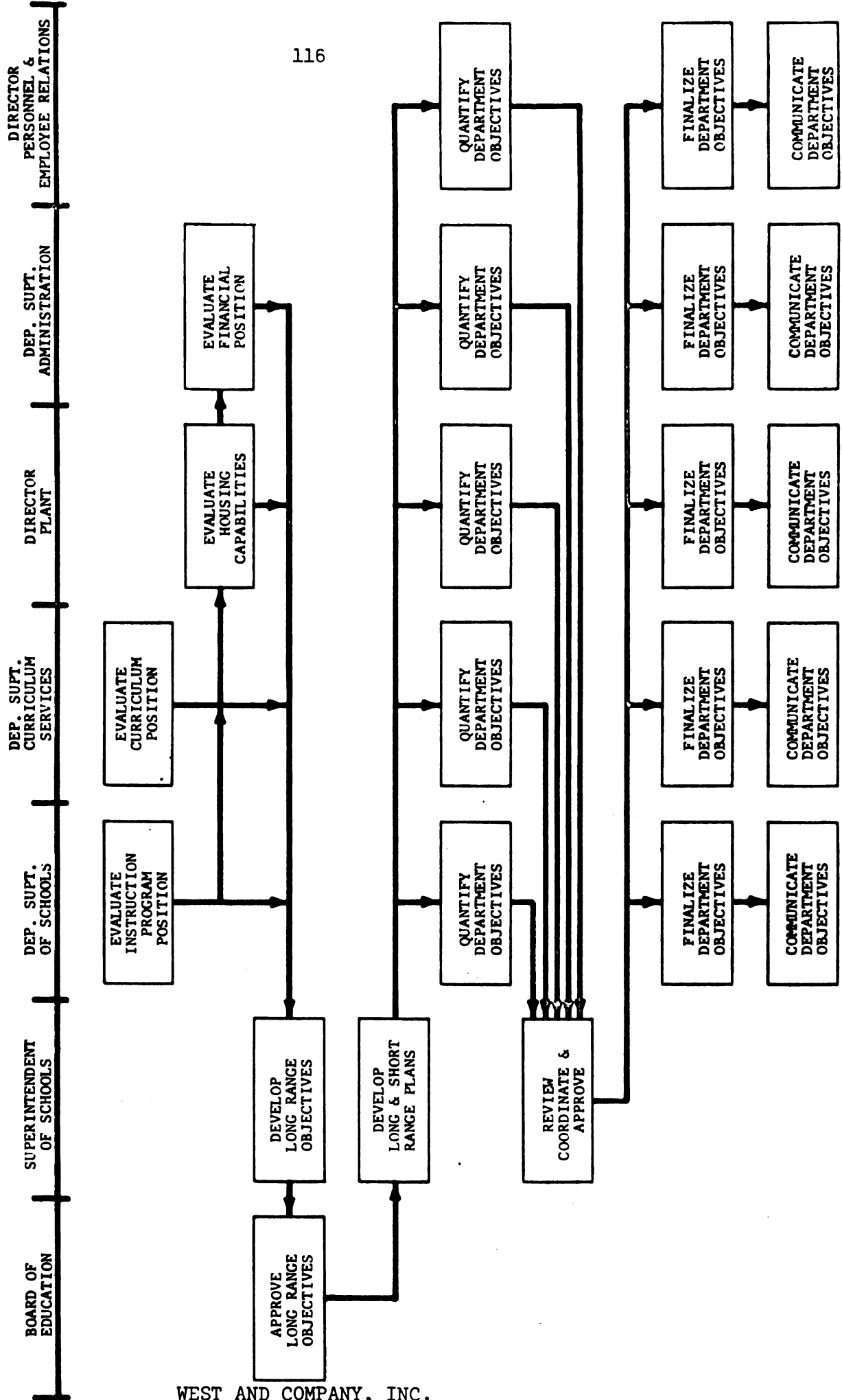
- b. Review information and action-flow charts and other types of control charts with cooperating personnel to assure understanding as to how the goal achievement is to be programmed and controlled.
  - c. Determine that all cooperating personnel have copies of all control and time charts.
7. Feedback and review of interim results against sub-targets and standards.
- a. Carefully identify progress to date against proposed or desired results.
    - (1) Note failures and reasons for failures.
    - (2) Program corrective measures to put task elements and timing on track.
    - (3) Readjust schedule to satisfy changed or previously not identified conditions.
    - (4) Review status with superior.
  - b. Drop inappropriate goals, suggest new goals to reflect new input and review this changed status of intended goal achievement with superior for approval.
  - c. Accumulate periodic reviews with copies to superior.
  - d. Superior must develop, implement and follow through with an on-going program of review of each subordinate's activities. This should be both formal and informal.
8. Final review and evaluation of performance following completion of a target date.
- a. Review (subordinate and superior) achievements against anticipated goal results (prescribed by standards and statement of desired results).
    - (1) Identify areas of success and areas of failure.
    - (2) Determine causes of less than successful achievement.

- b. Counsel results with subordinate.
  - (1) Agree as to strengths and weaknesses of achievement.
  - (2) Outline a program to avoid repetition of determined errors in performance and shortcomings in basic program.
  - (3) Determine, tentatively, if goals not fully achieved should be dropped or considered for re-implementation in next period.
- c. Translate evaluation of results to reflect on:
  - (1) Salary administration.
  - (2) Summary report of performance review.
  - (3) Specific areas for individual performance improvement.
    - (a) Identify only areas where the potential for improvement exists.
    - (b) Jointly prepare a program for improvement.

9. Re-Cycle.

- a. A review and reevaluation of long-range objectives for the organization.
- b. Review the organization structure.
- c. Unit heads prepare unit objectives.
- d. Etc.

# COMMUNICATIONS IN MANAGEMENT BY OBJECTIVES



EASTWOOD PUBLIC SCHOOLSMEASURING THE UNMEASURABLESETTING GOALS TO MEASURE THE UNMEASURABLE

1. It is often necessary to devise measurements of present levels in order to be able to estimate or calculate change from this level.
2. The most reliable measures are the real time or raw data in which the tangible results involved comprise the measures to be used. (Dollars of sales, tons of output, number of home runs hit.)
3. When raw data can't be used, an index or ratio is the next most accurate measure. This is a batting average, a percent, a fraction or a ratio.
4. If neither of the above two can be used, a scale may be constructed. Such scales may be "rate from one to ten", a nominal rating against a checklist of adjectives such as "excellent, fair, poor", or one which described "better than" or "worse than" some arbitrary scale. (These are useful but are far less precise than the above.)
5. Verbal scales are the least precise but can be extremely useful in identifying present levels and noting real change. Verbs such as "directs", "checks" and "reports" are indicative of actions to be taken.
6. General descriptions are the least useful, but still have value in establishing bench marks for change. "A clear, cloudless fall day" is obviously not the same as a "cloudy, foggy, misty day" and the two descriptions could be used to state conditions as they exist and conditions as they should be.
7. The statements of measurement should be directed more toward results than toward activity. (Much activity may prove impossible to state in specific terms, whereas results of that activity can be so stated.)
8. In stating results sought or in defining present levels, effort should be made to find indicative, tangible levels and convert verbal or general descriptions into such tangible scales, ratios or raw measures where possible.
9. If you can't count it, measure it, or describe it, you probably don't know what you want and often can forget it as a goal.

EASTWOOD PUBLIC SCHOOLSGOAL REVIEW FORM

Name \_\_\_\_\_ Date of Goal Approval \_\_\_\_\_

Title \_\_\_\_\_ Date of Final Review \_\_\_\_\_

I. Statement of Goal Target Date \_\_\_\_\_II. Interim Review

(a) Schedule

As Required \_\_\_\_\_ Bi-Weekly \_\_\_\_\_ Monthly \_\_\_\_\_ Other \_\_\_\_\_

(b) Basis of Review

III. Final Review

(a) Specific strengths exhibited during achievement period:

(b) Specific improvement needs exhibited during achievement period:

(c) Personal development action recommended:

(d) Organizational corrective action recommended:

(e) Rating of accomplishment:

	More Than		Less Than
Superior _____	Adequate _____	Adequate _____	Adequate _____

Signature of Incumbent \_\_\_\_\_

Signature of Supervisor \_\_\_\_\_



EASTWOOD PUBLIC SCHOOLSINDIVIDUAL PERFORMANCE APPRAISAL AND PERSONAL DEVELOPMENT REPORT

Name of Employee \_\_\_\_\_ Date of Review \_\_\_\_\_  
Department \_\_\_\_\_ Title \_\_\_\_\_  
Name of Supervisor \_\_\_\_\_ Title \_\_\_\_\_

Purpose of this Form

When properly completed, this form should facilitate the achievement of the following results:

1. The complete and objective evaluation of the performance of the individual since the date of the last formal appraisal.
2. The establishment of appropriate performance and self-development goals for the next year.
3. An effective appraisal interview with the employee.

Instructions for Completion of this Form

1. The immediate supervisor requests the employee to describe the major activities and/or goals he has been engaged in during this period, in the activities column. The activities must be listed in decreasing order of importance, i.e., goals, by priority, then routine activities. Usually an employee will only accomplish four to eight major activities during the evaluation period.
2. The supervisor and the employee review the activities column prepared by the employee to ensure mutual agreement of goals and activities to be considered and their relative rankings. The activities specify what was done or accomplished and may explain how it was done where this is of importance. But, judgement of how well it was done must be reserved for the appraisal column.
3. The supervisor indicates in specific terms, the relative success the employee has had in achieving each of the activities. He must make a special effort to indicate the degree of achievement as well as indicating any factors beyond the employee's control which might have contributed to the observed results. Where possible, use objective data such as comparison of results with budget, proposed programs, schedules, costs, etc.

4. The supervisor adds to this section any goals or activities which have been completely neglected and indicates the reasons why the omissions occurred.
5. In the "appraised evaluation" section, the supervisor rates the performance of each goal and activity by placing the number of the item in the appropriate performance section or box.
6. The supervisor completes Section II-Performance Strengths delineating the specific attributes which the employee successfully applies to the performance of his duties.
7. The supervisor completes Section III-Improvement Needs delineating the knowledge, skills or attitudes which the subordinate must develop to maintain or improve existing levels of performance.
8. The supervisor determines the overall appraisal of performance by considering:
  - (a) The "overall appraised evaluation" of achievement of individual goals and activities, and
  - (b) The effect of goals and/or activities not having been accomplished.
9. The appraisal is discussed in detail with the subordinate and an improvement development plan is mutually agreed upon and documented in the appraisal.
10. The completed and signed appraisal is included in the employee's personnel records. The employee is given a copy of the completed appraisal.

I.

To be completed by employee and verified by supervisor		To be completed by supervisor
No.	Goals and/or Activities	Degree of Success in Achievement

I.

To be completed by employee and verified by supervisor		To be completed by supervisor	
No.	Goals and/or Activities	Degree of Success in Achievement	
APPRAISED EVALUATION			
After tabulating individual achievements, check the section which best describes overall achievement.			
Superior Performance		More Than Adequate Performance	
		Adequate Performance	
		Less Than Adequate Performance	

II. SUMMARY OF PERFORMANCE STRENGTHS

III. SUMMARY OF IMPROVEMENT NEEDS

IV. DEVELOPMENT ACTION PLAN (Mutually established by employee and superior)

V. OVERALL PERFORMANCE

	More Than		Less Than
Superior_____	Adequate_____	Adequate_____	Adequate_____

SIGNATURE OF EMPLOYEE\_\_\_\_\_

(Not necessarily signifying concurrence with this appraisal)

SIGNATURE OF SUPERVISOR\_\_\_\_\_

EASTWOOD PUBLIC SCHOOLSSUMMARY RECOMMENDATIONS

Employee Name \_\_\_\_\_ Date \_\_\_\_\_  
 Department & Title \_\_\_\_\_ Title \_\_\_\_\_  
 Prepared By \_\_\_\_\_

I. Overall Performance (As indicated on the last Individual Performance Appraisal & Personal Development Report)

Superior \_\_\_\_\_ More Than Adequate \_\_\_\_\_ Less Than Adequate \_\_\_\_\_  
 Adequate \_\_\_\_\_

II. Status Recommendations (Read carefully before checking your recommendation)

\_\_\_\_ Recommended for reappointment and promotion to \_\_\_\_\_.  
 \_\_\_\_ Recommended for reappointment to same position.  
 \_\_\_\_ Recommended for reappointment and transfer to \_\_\_\_\_.  
 \_\_\_\_ Recommended for probation and reappointment to same position.  
 \_\_\_\_ Recommended for probation, but reappointment and transfer to \_\_\_\_\_.  
 \_\_\_\_ Recommended that individual's service be terminated.

III. Promotability

Promotable to \_\_\_\_\_.

In six months \_\_\_\_\_ six to twelve months \_\_\_\_\_ Longer \_\_\_\_\_.

IV. Salary Recommendation

Years in system \_\_\_\_\_ Employee's age \_\_\_\_\_ Years in current position \_\_\_\_\_

Salary Grade \_\_\_\_\_ Minimum \_\_\_\_\_ Salary Range Midpoint \_\_\_\_\_ Maximum \_\_\_\_\_

Current Salary \_\_\_\_\_ Current Zone \_\_\_\_\_

Last Increase Date \_\_\_\_\_ Amount \_\_\_\_\_ Percent \_\_\_\_\_

Recommended Salary Increase Amount \_\_\_\_\_ Percent \_\_\_\_\_

New Salary \_\_\_\_\_ New Zone \_\_\_\_\_

SIGNATURE OF SUPERVISOR \_\_\_\_\_

APPROVAL OF NEXT HIGHEST SUPERVISOR \_\_\_\_\_

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