Not new in principle, management by objectives (MBO) focuses on the goals of an institution stated as end accomplishments. Community college administrators have been attracted by the reputed benefits of MBO: increased productivity, improved planning, maximized profits, objective managerial evaluation, and improved participant morale. This paper summarizes the advantages and disadvantages of MBO learned and reported from business and industry. Problems encountered in MBO programs include: lack of total organizational commitment, lack of prerequisites to implementation, failure to integrate individual and organizational goals, overemphasis on measurable goal attainment, and inadequacies in performance appraisal. To be most effective in community colleges, MBO must have the total backing of board members and the president. Furthermore, the school must be prepared to commit extra time to implement MBO. The major determinant of the success or failure of MBO type programs is largely a result of its acceptance by users. (LP)
MANAGEMENT BY OBJECTIVES: ADVANTAGES, PROBLEMS,

IMPLICATIONS FOR COMMUNITY COLLEGES

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRODUCTION.</strong></td>
<td>1</td>
</tr>
<tr>
<td>Purpose.</td>
<td>2</td>
</tr>
<tr>
<td>Research on MBO.</td>
<td>2</td>
</tr>
<tr>
<td><strong>GENERAL CHARACTERISTICS OF RESULTS-ORIENTED MANAGEMENT.</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>ADVANTAGES ATTRIBUTED TO MANAGEMENT BY OBJECTIVES</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>PROBLEMS ENCOUNTERED IN MANAGEMENT BY OBJECTIVES' PROGRAMS</strong></td>
<td>6</td>
</tr>
<tr>
<td>Lack of total organizational commitment.</td>
<td>6</td>
</tr>
<tr>
<td>Lack of prerequisites to implementation.</td>
<td>7</td>
</tr>
<tr>
<td>Failure to integrate individual and organizational goals.</td>
<td>7</td>
</tr>
<tr>
<td>Over-emphasis on measurable goal attainment.</td>
<td>8</td>
</tr>
<tr>
<td>Inadequacies in performance appraisal.</td>
<td>9</td>
</tr>
<tr>
<td><strong>IMPLICATIONS FOR UTILIZING MANAGEMENT BY OBJECTIVES IN COMMUNITY COLLEGES</strong></td>
<td>9</td>
</tr>
<tr>
<td>Commitment.</td>
<td>9</td>
</tr>
<tr>
<td>Implementation.</td>
<td>10</td>
</tr>
<tr>
<td>Integration of individual and college goals.</td>
<td>11</td>
</tr>
<tr>
<td>Participation in goal setting.</td>
<td>11</td>
</tr>
<tr>
<td>Goal setting by groups.</td>
<td>12</td>
</tr>
<tr>
<td>Measurability of goals.</td>
<td>13</td>
</tr>
<tr>
<td>Performance appraisals.</td>
<td>13</td>
</tr>
<tr>
<td><strong>SUMMARY</strong></td>
<td>14</td>
</tr>
<tr>
<td><strong>BIBLIOGRAPHY</strong></td>
<td></td>
</tr>
<tr>
<td><strong>APPENDIX A</strong></td>
<td></td>
</tr>
</tbody>
</table>
INTRODUCTION

Interest in results-oriented management, management by results, or management by objectives (MBO) has steadily increased, particularly within business and industrial organizations, since being popularized during the 1950's by Peter Drucker (4: )* and during the 1960's by George Odiorne (22: ) Although not new in principles, MBO focuses attention on goals stated as end accomplishments. This systematic approach to management planning and problem solving was implemented to increase productivity, improve planning, maximize profits, more objectively evaluate managerial performance, and improve organizational morale through participative management. Underlying this approach was an increased awareness of motivational forces related to individual and organizational performance and success. It was projected that if results to be expected for an individual were carefully defined, the likelihood of his achieving those results was increased. The commitment to desired results was thought to be enhanced through participation in goal setting. Progress toward goal attainment was considered measurable in terms of what objective an individual was progressing toward. While emphasizing "ends," MBO did not attempt to relegate the importance of "means."

The current emphasis on accountability for student learning and better utilization of resources is dictating that educators know where they are going, plan how they will get there, and determine when they have arrived. In an effort to clarify and more effectively fulfill their mission, many higher educational institutions are considering a shift from an emphasis on the activity (means) to a results-oriented (ends) administrative system. Although there is

*The first number refers to the bibliography number and the second number refers to publication page(s).
general agreement that emphasis on "ends" represents the surest approach to 
effective administration, educators (particularly administrators), often risk 
assuming that the system of MBO is trouble-free and can be totally applied to 
educational institutions. While there are certain advantages in turning to 
an established procedure (utilized mainly in business and industrial organi-
izations), there is no primrose path to its practical implementation.

Purpose. The purpose of this paper is to centralize for community college 
administrators what has been learned and reported, primarily from business and 
industry, about the nature of results-oriented management, to include advantages 
attributed to the system, problems encountered in its utilization, and impli-
cations for use in community colleges.

Research on MBO. Perhaps many more questions are being asked than work-
able answers are being received about the effectiveness of MBO. Considering the 
problems inherent in its implementation have not 
current emphasis in results-oriented management, one would expect numerous 
eaffects of MBO per se and problems inherent in its implementation have not 
empirical studies to refute or support the underlying assumptions associated 
been adequately analyzed." (29:207) "For the most part, MBO has been imple-
with such a system. However, the amount of research concerned with the appli-
mented on the basis of its apparent theoretical practicability and advantages." 
cations and effectiveness of MBO is rather limited. In fact, the "use" of MBO 
Although most of the literature is descriptive, some studies have suggested 
is increasing at a much more rapid rate than subsequent knowledge about it.
that MBO does yield desirable results. (31:416)
GENERAL CHARACTERISTICS OF RESULTS-ORIENTED MANAGEMENT

Odiorne (22:55-56) depicted the management by objectives process as one in which the managers of an organization jointly identify its common goals, define each individual's major areas of responsibility in terms of results expected, and use these measures as guides for operating the unit and assessing the contributions of each of its members. Clearly, Odiorne considered MBO as a "system," whereas Drucker described MBO as a philosophy of management.

Ideally, the process should proceed in these steps: (1) individual discussion with his superior of the subordinate's description of his own job; (2) establishment of short-term performance targets; (3) meetings with the superior to discuss progress toward targets; (4) establishment of checkpoints to measure progress; and (5) discussion between superior and subordinate at the end of a defined period to assess the results of the subordinate's efforts. (15:126)

The purpose of MBO is to achieve individual and organizational goals by improving managerial performance through the adoption of a practical systematic approach. (6:18) In addition, MBO is intended to facilitate the derivation of specific objectives from general goals, seeing to it that objectives at all levels in the organization are meaningfully located structurally and linked to each other. (33:70)

Goals (general) and objectives (more specific) serve as statements of purpose and direction formalized into a system of management. Activities are organized in terms of achieving specific objectives (ends) by specifically stated time limits. Efforts are coordinated toward achieving common goals.

Objectives, which should not be misconstrued as substitutes for plans, but rather as a basis for developing them, accomplishes: (1) a documentation of
expectations in managerial relationships regarding what is to be done and the level of attainment for the period covered by the objective; (2) a firmer base for developing and integrating plans for personal and departmental activity; (3) a basis for feedback and evaluation of performance; (4) elements of timing and coordination of individual and unit activities; (5) a focus to draw attention to the need for control of key organizational functions; (6) a basis for work-related rewards as opposed to personality-based systems; and (7) an emphasis on change, improvement, and growth of the individual or organization. (33:71)

In summary, MBO serves as a systematic process for determining organizational direction and evaluating results through the identification, clarification, and communication of mutually accepted and carefully defined goals and objectives throughout the organization.

ADVANTAGES ATTRIBUTED TO MANAGEMENT BY OBJECTIVES

Odiorne (22:54) considered MBO as primarily a way of thinking about management, by stating that MBO: (1) makes the hierarchical structure work and brings about more vitality and personal involvement of the personnel involved; (2) facilitates orderly growth of the organization through the use of statements of expectation for personnel involved and measurement of what is actually achieved; (3) defines major areas of responsibility for each person and measures the "true" contribution of managerial personnel; and (4) processes are geared to achieving organizational and individual results desired.

MBO also serves as a workable tool for more effective planning and self-appraisal. Attention is focused on individual achievement, motivates individuals to accomplish, and measures performance in terms of results. This system management contributes toward better integration of individual and organizational
objectives, improves communications throughout the organization, places emphasis on significant goals to be accomplished, and lessens duplication of effort. (11:53-56)

Most benefits of this management approach have a tendency to center around the possibility of more objective performance evaluations. Higher levels of performance may be achieved if goals are set and understood, thus reducing frustration and anxiety resulting from ambiguity surrounding job expectations. Objective-oriented programs increase certainty about job requirements, result in more comfortable feelings about the kind of criteria used in evaluation, and create a situation which ostensibly forces superiors to communicate with subordinates. (32:415-421)

MBO takes managers away from "fighting fires" and forces them to plan the use of their resources. (24:49-58, 25:46, 20:) Managers, in fact, become resource persons in the system. (26:24)

The dynamic which sustains MBO is the development of genuinely participatory management. Participative management is the discipline whereby an organization learns how to tap the latent potential of its members. It is, in fact, the gradual, stressful, risk-taking process of experience by which management matures from its outmoded role of directing, controlling, and governing, to its new role of enabling, encouraging, assisting, and reinforcing achievement by others. (26:24)

MBO is an effort to be fair and reasonable, to predict performance and judge it more carefully, and presumably to provide individuals with an opportunity to be self-motivated by setting their own objectives. (15:125)

The greatest advantage of MBO is that it allows the manager to control his own performance. Self-control is interpreted to mean stronger motivation to do the best rather than just bet by. (4:136)
In summary, the major theoretical advantages attributed to MBO programs are improved planning and communication throughout the organization, self-motivation and commitment of participants, integration of individual objectives and organizational goals (commonality of purpose), participative management, and a more objective-based process to appraise individual and organizational progress and effectiveness. MBO treats communication as a process, not an event. (See Appendix A for advantages of MBO at Harper College)

PROBLEMS ENCOUNTERED IN MANAGEMENT BY OBJECTIVES' PROGRAM

As with any "new" management system, MBO is not without its practical problems. The following problems, when apparent in varying degrees, have been recognized as obstacles to the success of MBO programs. Many of these problems are encountered in areas which were supposed to be the strengths of MBO.

Lack of total organizational commitment. The failure of some MBO programs and only marginal success in others have been attributed to a lack of involvement in and commitment to the concepts of results-oriented management by members of the organization, particularly top-level managers from whom leadership must evolve. MBO simply doesn't mean the same things within and among organizations. Often MBO is interpreted by top management as just another project for completion by subordinates, (31:423) or as a means of closely controlling subordinates. (6:19) A lack of knowledge concerning the dynamics of MBO undoubtedly results in a passive role by top management, thus, implementation is relegated to a particular position or manager. Lower-level managers often feel no sense of commitment because the program has failed to reach them. (13:142-143, 25:34-53)

There has been a tendency for results-oriented systems to have only a short-range impact. Enthusiasm in the early stages seems to fade into disenchantment in later periods. (31:425) Lack of top management support, use, and reinforcement for the system does not provide the necessary incentive for improving the performance level of participants. (25: )
Without the total commitment of all participants, MBO in community colleges will fail in one of two ways: (1) the program will start with enthusiasm and then wane, or (2) it will be used on a spotty basis throughout the college. (3t14)

**Lack of prerequisites to implementation.** Contrary to many beliefs, implementing MBO is not a simple process. Pre-service and in-service programs for managers are crucial if the dynamics of MBO are to be understood and accepted. It has been suggested that it takes three years of concerted effort on the part of management to introduce MBO into an organization. (11:57) Furthermore, the failure to allow sufficient time for organizational and individual developments is the major downfall of most objective-setting systems.

**Failure to integrate individual and organizational goals.** Despite an espoused advantage of MBO programs, most management schemes have not attended to the personal goals and ambitions of individuals within the organization. Little concern has been given to the question of whether the individual's objectives relate directly to those of the organization. Failure to attend to these concerns indicates: (1) a lack of meaningful participation by appropriate persons in the goal setting process, and (2) a lack of emphasis on underlying motivational forces associated with personal goals of individuals. Often top managers assume that subordinates will be challenged by management's objectives and goals. The failure to top management to consider the personal ambitions and needs of subordinates has caused the typical MBO effort to perpetuate and intensify hostility, resentment, and distrust between managers and subordinates. (15:125) Objectives will not have significant incentive power if they are forced choices unrelated to one's underlying dreams, wishes, and personal aspirations. (15:128)

The most serious human relations problems probably occur in organizations where there is an incongruity between the verbalized level and actual level of
subordinate influence. Participation may be a stated policy, but in practice it does not occur. (32:45)

The failure to integrate individual and organizational goals creates an atmosphere in which individual efforts and interests may not be channeled in directions consistent with the purposes of the enterprise.

Over-emphasis on measurable goal attainment. Emphasis on goal attainment necessarily influences the kinds of goals which are set. Some goals lend themselves more easily than others to measurement. MBO programs that measure performance exclusively in terms of goal attainment contribute toward the setting of easily quantifiable goals. Such goals are likely to result when negotiations occur as to the extent to which subordinates fulfill the objectives targeted for them. Here it is irrational for the subordinate to maximize his risks by accepting challenging goals, thus, in all probability, easily attained goals will be selected. Incentive to set challenging goals is lacking, for such goals increase chances of failure when performance is judged solely by attainment of goals. (9:)

Over-emphasis on measurable goals has a tendency to frustrate individuals and to increase the amount of paperwork in stating objectives in quantifiable terms. This over-emphasis has a tendency to treat managers as if they functioned in a vacuum. Targets normally set on a manager-subordinate basis with little reference to the targets which are set for other managers or to organizational goals may introduce conflict and competitiveness not conducive to achieving organizational goals. (6:19) It is rarely that all of the tasks and their accomplishments are the sole concern of any one individual in modern types of organizations.
Inadequacies in performance appraisal. Much confusion exists among organizational members concerning the purpose of performance appraisals. What should be the nature of such appraisals? Who should do the appraising? These questions must be answered by carefully looking at the concepts underlying results-oriented management.

Problems previously mentioned are reflected in the processes and methodologies utilized during performance appraisals. A lack of skills and attitudes critical to success within the organization are often evident.

The major reason performance appraisals have failed can be traced to problems relating to interpersonal relationships—superiors disliked playing "God" by making judgments about another man's worth. (18: )

IMPLICATIONS FOR UTILIZING MANAGEMENT BY OBJECTIVES IN COMMUNITY COLLEGES

The writer does not wish to squabble over the terminology used to refer to end-state management (management by results, MBO, results-oriented, etc.), but, rather to emphasize that each refers to direction, planning, and evaluation.

The considerations within this portion of the paper will be primarily concerned with human relations aspects applicable to results-oriented management, as opposed to changes in structure, which has been ably handled by Richardson (27: )

The following discussion considers prerequisites to applying the concepts of MBO to community colleges.

Commitment. Whether MBO is perceived by the college as "a whip to control" or as a total approach to administration is a reflection of the actions of board members and the president, particularly, toward the program. To be most effective MBO efforts must continually receive blessings from policy and top executive positions. Whether MBO will succeed or fail in its endeavors (better integration
of objectives throughout the organization, improve communications to the individuals in the college as to where the college is going and how it is going to get there, emphasize what is most important rather than what may be most expeditious, eliminate overlapping responsibilities, and reduce duplication of effort, interdepartmental misunderstandings, and conflict) will largely be determined by the attitudes and actions of top administrators toward the total administrative process. Top administrators are critical to the process because they serve, hopefully, as a reference group for other members of the college, and they serve as communicators of goals and expectations throughout the college. The president must provide instruction, encouragement, and guidance in MBO programs.

**Implementation.** Critical attention must be given to methods of implementing results-oriented administrative programs in community colleges. The president and his staff must be willing to spend the time and exert the effort necessary to implement and maintain MBO programs aimed at improving administrative and individual performance, planning, and self-motivation of faculty and students.

The most effective manner to implement MBO is to permit top administrators, namely the president, to explain, coordinate, and guide the program. When top administration is actively involved, a process is initiated whereby the philosophy and mechanics of the program can filter through and penetrate the entire college organization. In addition, top administrative involvement serves as a possible motivational strategy to improve perceived need satisfaction at middle and lower levels of administration.

Since MBO doesn't provide the skills for administrator development, it is essential to the success of the system that this development be provided prior to or concomitant with MBO implementation. All participants need to know what
the MBO system is and how it works. To announce adoption of a results-oriented administrative program and not provide leadership in in-service familiarization is to announce potential failure of MBO to work in the college.

Integration of individual and college goals. The objective-setting process is largely the result of compromises between the objectives of the president and deans, directors, and coordinators. When these objectives interact, a reaction should occur that causes a meshing of college and individual objectives. The highest point of self-motivation arises when there is a complementary conjunction of the individual's personal needs and the college's requirements. If a major intention of MBO is to enlist the self-motivated commitment of the individual, then that commitment must derive from the individual's desires to support the college's goals; otherwise, the commitment will largely be incidental to his personal aspirations. By attending to the personal wishes of lower-level administrators, the possibility is increased of pooling the energies of man and college for mutual advantage.

Participation in goal setting. Throughout all organizations, there has been an increased emphasis on involving all members in some type of a decision-making role. The relevance of the goal-setting process may be increased through participation. The integration of enterprise purpose and personal goals is accomplished through active participation by all administrators in establishing tangible work-related goals for themselves and exercising some degree of self-control over their activities.

Administrators must be aware that mutual goal setting requires a reallocation of influence in setting goals. All members of the community college should have the opportunity to provide vital input into the shaping of short- and long-range goals of the college. For this opportunity for participation to be established, top administrators must be willing to relinquish some influence, particularly in the area of objective setting by individuals and groups. If this redistribution
does not occur, participation will not work because participation implies a de-
centralization of power and some control over the work environment.

**Goal setting by groups.** Every administrative job is an interdependent task. The reason for having organizations is to achieve more together than each could achieve alone, therefore, organizational success depends on the efficient inter-
action of interdependent groups.

Group goal setting is important if maximum integration of objectives is to be achieved. Goals set by groups will most likely be those to which individuals feel genuinely committed and the resulting targets will be those which lessen the degree of interdepartmental friction which often arises when goals are set without reference to others who will be affected. Administrators can give and receive unbiased viewpoints about the appropriate use of time, methods of coordination, procedures for solving problems, and can reach a better mutual understanding of how their various activities interrelate and how their efforts can be integrated for the benefit of the entire college organization.

Another item to be considered in goal setting is how to determine which objectives are appropriate for groups and which are appropriate for individuals. It can be logically argued that if pursuing a goal requires resources beyond those available to an individual, then the goal may be set for a group which has the required resources.

Group goal setting emphasizes togetherness and commonality of purpose, which may be the exception, rather than the rule in many administrative operations. There is a great need for administrators to become knowledgeable in group pro-
cesses and leadership requirements, because it must be remembered that the success of individual administrators depends in the long run on the effective stimulation of those who work with him—a concept called self-motivation, which should permeate the entire college.
Measurability of goals. It has already been suggested that some goals lend themselves more easily to measurability than others. All goals need not be measurable, providing they are verifiable or tied to a completion date. Perhaps it is much more appropriate to involve all administrators in the goal setting process than to state specifically that quantitative goals are mandatory. It is equally important to emphasize that everyone contribute by stating what he is going to do, when it is going to be accomplished, and how it contributes to the overall objectives of the enterprise.

The tendency for MBO programs to produce trivial objectives can be partially counteracted by reducing emphasis on goal attainment. Without degrading the importance of goal attainment, it is safe to say that the greater the emphasis on measurement and quantification of objectives, the greater the tendency for quality of performance to lose out to quantification, which defeats the purpose of MBO to allow a portion of self-control to organizational members.

There is a need to develop criteria that reflect challenging and realistic goals which cannot be easily quantified. Also, attention should be given to the process of setting and pursuing goals and analyzing factors affecting progress toward them. This encompasses a wide range of abilities and examines the quality of goals rather than emphasizing attainment of a goal regardless of its worth.

Performance appraisals. Periodic review and appraisal of individual and organizational progress toward objectives is essential to the success of the MBO system. Management by objectives is predicated on the concept that a means-end analysis will take place with a degree of accuracy. Performance reviews and appraisals help to systematically identify and resolve obstacles to accomplishing the "ends." The appraisal process reinforces participative management, benefits group problem solving, and establishes an environment
for counseling and individual development. It must be recognized that an individual may be more highly motivated to implement a change in direction for himself or for a program which he has been involved in establishing.

The number of feedback sessions needed to optimize the effectiveness of participants will differ with individuals and institutions. It is generally assumed that individuals who receive frequent reviews and appraisals of performance tend to exhibit better attitudes conducive to achieving institutional goals. It is recommended that formalized appraisals occur on a quarterly basis, certainly no less than twice a year.

Research has indicated that the process in which the appraisal review was conducted was critical to its success. The more the subordinate participated in the appraisal interview by presenting his own ideas and beliefs, the more likely he felt that the superior was helpful and constructive, some current problems were being cleared-up, and reasonable future goals were being set. (2:291)

SUMMARY

While not new in principles, MBO is a re-structuring of existing managerial practices. MBO is accompanied by the familiar difficulties and complications of goal setting, motivation, and measurement and appraisal. These problems may be attributed to lack of knowledge of MBO's potential and lack of commitment to the system by the participants.

MBO has sufficient advantages that should make it potentially more effective than traditional management systems. The apparent success or failure of MBO type programs is largely a result of its acceptance by its users. Like any other management or administrative system, MBO is no better than the manner in which it is used.
To say that any educational institution does not need improved administrative practices is to belabor the point. Any system that serves to improve planning and direction, communications, interpersonal relationships, and evaluations is greatly needed in educational administration. This is not to suggest that MBO is a sovereign remedy or panacea for all administrative ills.

The concepts of MBO are extremely applicable to community college administration. Results-oriented administration in community colleges will be most effective when: (1) Firm commitments have been exhibited by participants, particularly top administrators; (2) The institution has written clearly defined and understood goals and objectives; (3) These goals are integrated with personal goals of participants; (4) Administrators are competent in the various phases of implementation—goal setting, appraisals, evaluation, and most important, interpersonal relationships; (5) Evaluation and measurement consider both means and ends; and (6) Administrators know and attempt to understand the people with whom they work.

The applicability of a different administrative emphasis in community colleges may be characterized by this statement:

... It is only through action that one discovers that the ten per cent of one's time spent worrying about what the job really is, how it should be set up and how others can best be helped to do it is a more profitable activity than the ninety per cent spent fire-fighting or doing the job oneself. The next step is to worry about how others can be encouraged to go through the same ten per cent process, for that is where the real profit lies. The results are a re-ordering of priorities, a new view on what is possible and practicable, and ultimately a new confidence, which is the most impressive result of all.

In ways such as these we are gradually learning what the management of people and jobs... might look like against the background of our changing society. The decision whether or not to go down this road (whatever its exact route) is not really a decision at all: if we don't go willing, in the end we shall be pushed. (26:24)


Bibliography (continued)


How Harper’s MBO Meets Three Objectives *

This panel shows the advantages of MBO as a participative approach to management in a nonindustrial organization. Known characteristics of effective management (shown in bold) are correlated with advantages of the MBO system as experienced by Harper administrators.

1. Favorable attitudes on the part of each member of the organization:
   - Toward superiors: The individual and his supervisor play more equal roles with similar information and a great area of common knowledge as background.
   - Toward the work: The individual is more genuinely committed to his work of achieving objectives he has helped to develop. Once planning is done, the work seems relatively easy.
   - Toward the organization: Personnel more clearly understand the organization and their role in it.
   - Mutual confidence and trust: Control is accomplished within the organization through greater individual self-control rather than supervisory control. The common interest in achieving a goal creates team spirit.
   - High sense of involvement and identification: Participation by all members in a management system builds teamwork and unity and establishes an organizational “way of life.”

2. High motivation and cooperation within the organization and toward its objectives, which is achieved through attendance to major motivation forces, including:
   - Self-fulfillment: Precisely stated, measurable objectives planned by the individual offer concrete fulfillment goals.
   - Status, recognition and approval: The individual knows his ideas will be considered. The appraisal interview offers the ideal opportunity for the expression of approval by the supervisor of performance results.
   - Acceptance and security: MBO creates a common ground for widely different personalities. Appraisal and coaching is done in light of performance results, not in terms of personal or professional inadequacies.
   - Challenge: Under MBO, there is the constant challenge of striving to meet defined objectives.
   - Creativity: Creativity is encouraged in the approach to objectives, and there is great flexibility.
   - Effective communication and interaction between all units of the organization: MBO aids communication up, down and across the organization. Interaction between units is reinforced by a clear understanding of individual and organizational objectives.

3. Measurements of organizational performance which are used for self-guidance and improvement rather than for superimposed control: The appraisal interview is actually a mutual search for better ways to manage. Feedback from performance reviews serves as a basis for self-development and increases chances for future success.

*14:32