A STRATEGIC APPROACH TO THE IMPLEMENTATION OF MANAGEMENT BY OBJECTIVES IN THE GOVERNMENT SECTOR IN THE SULTANATE OF OMAN

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DEDICATION

This thesis is proudly dedicated to my great family and I wish to record my special thanks and gratitude to my loving daughters Deema, Yumna, Malak and Shiyam, for their patience and support during this journey and helping me to make this dream come true. A special dedication to my parents, my mother, who never ceased praying for me and wishing me all success and provided me with determination to move through all the stages of my life; my father (Allah's mercy be upon him) who formed part of my vision and inspired me in achieving my goal.

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ABSTRACT

Management by Objectives (MBO) is becoming an increasingly important management approach as it offers an obvious goal, specifies job responsibilities and reduces ambiguity through continuous performance feedback. The international implementation of MBO principles shows that it is feasible to apply it in a wide range of organisations. Despite the evidence of the international application of MBO, a review of the Omani context indicates that there is an absence of clarity of goals set for management and employees in some government departments; and there is little participation between management and staff in developing departmental goals.

Therefore, the aim of this research is to propose a strategic approach for applying MBO and to identify the challenges that influence the implementations of MBO in the government sector in Oman. A single exploratory case study approach was adopted within one government ministry, the General Secretariat of the Cabinet. This study analysed data collected through a questionnaire from 110 top, middle and lower management and employees and ten semi-structured interviews undertaken in the General Secretariat to the Cabinet in Oman.

This research makes contributions to knowledge in understanding MBO's principles, success factors, benefits and limitations; identifying the models and the international implementation of MBO; recognising the main criteria for developing a conceptual framework in order to investigate MBO's applicability; and improving management style by examining MBO principles within a particular context in Oman. It also provides an insight into how the government sector in a developing country with a different background might deal with understanding MBO's principles and implementation. An appropriate strategy that fits the environment of the government sector in Oman is offered.

CHAPTER ONE

INTRODUCTION

1.1 Introduction and Background

Management by Objectives (MBO) is not a new concept; it can be traced back over half a century. Al Noah (2011) and Hollmann (2013) illustrated that traditional management approaches are no longer used in trade where MBO is employed, as it increases employees' and organisations' productivity. Drucker developed the term MBO in 1954 in his book *The Practice of Management,* and the accountability, profitability and productivity which it promised brought it to prominence in the early 1960s(Drucker, 1954). By the 1990s MBO had become a popular strategic planning tool for the allocation of all kinds of resource (Nashwan, 1992; Kanan, 1995). According to Dubrin (2012) and Robbins *et al.* (2013), managers should involve employees in participating in the strategic planning process, in order to improve the on-going implementation of objectives.

Many studies have been conducted concerning the effectiveness of MBO. For example, Antoni (2005) stressed that it would help a company to reach its goals, increasing productivity as a result of improved employee satisfaction. Such findings encouraged the use of MBO as a means of influencing teams to be self-regulated as well as managed, and defining a competent objective, improving the interaction between employees and the organisation (McBain& Smith, 2010; Kyriakopoulos, 2012; Locke& Latham, 1990; Tubbs, 1993; Odiorne, 1965; Romani, 1998; Drucker, 1954). However, Carroll and Tosi (1973) suggested that an organisation's objectives should first be formulated in a hierarchical structure, so that each could be met at a specific management level; only then would they become the goal of the organisation as a whole. There are many advantages of implementing MBO. McBain and Smith (2010), Phillips (1996), Thompson *et al.* (1981) and Romani (1998) explained that applying MBO in any organisation will provide several benefits such as motivation of employees involved in the goal-setting process and improvement of their job satisfaction, making them feel more empowered and hence more committed. It also clarifies goals and improves communication and co-ordination among all staff and managers.

In Oman, which is an actively developing country, investment in managing human resources has been regarded as crucial since 1970 when the present leader, His Majesty Sultan Qaboos bin Said, assumed power from his father (Ministry of National Economy, 2009). In recent years, throughout all the stages of the Five-Year National Development Plans (1976 to date), the management of human resources has received the government's attention and focus: supporting training activities; emphasising human resource planning; and renewing institutional systems and putting in place a new human resource database (Ministry of Information, 2011). As indicated in these national five-year plans, managing human resources is considered a fundamental and essential aspect of the future national economic vision and development of Oman, and is currently a crucial element of the government's future economic plan (Ministry of National Economy, 2010). In addition, this includes the expansion and development of objectives, work plans, administrative organisation, controls and follow up, and performance evaluation, to keep abreast of the development of human resources, underpin strong and sustainable economic growth, and contribute to increasing the quality of management (Spottl, 2008).

A seminar entitled *Management by Objectives and Achieving Results for Senior Management* was held in December 2011 under the auspices of the Minister of the Diwan of Royal Court (Oman Daily Observer, 2011). This seminar resulted from the enthusiasm of the Diwan of Royal Court to develop the management of human resources and raise professional capacity in line with the approach of His Majesty Sultan Qaboos, who is keenly interested in this topic. It was established at the seminar that appropriate training for all employees system at all levels in the Diwan is their right. It indicated the nature of senior administrative work in terms of planning, organisation and decision making. Management should also be seen in terms of objectives, and performance evaluation in the light of these objectives. In addition, the Directorate-General of Administrative Development at the Diwan of Royal Court pointed out the need to recognise and remove obstacles facing employees in their daily work, adding that the seminar was covering a number of themes related to the development of various administrative skills, teamwork and decision-making, and how to determine objectives and apply MBO.

In 2012 the Ministry of Civil Service organised another seminar, *The Development of Government Performance*, to improve human resource management and to ensure better services to citizens. Representatives from different state authorities, including ministries and public and private sector companies attended the seminar that was again supported by the Royal Vision of His Majesty Sultan Qaboos. On this occasion, Sayyid Salim bin Mselem al Busaidy, who Under Secretary at the Ministry of Civil Service, said, "*We need to strike a balance in relation to government commitment, government involvement and support for regulatory frameworks, labour reform opportunities, stimulating investment and striving for improved educational and vocational training opportunities, so that we can increase Omanisation substantially*" (Oman Daily Observer, 2012).

As previously discussed and despite this evident government support, it is clear that management in the government sector in the Sultanate needs to be developed through the application of a new management model, which might contribute to setting goals, action plans and reviewing and evaluating performance on a regular basis. Therefore, MBO could be an effective model that might contribute to developing management and solving the problems and obstacles facing the government sector in Oman.

1.2 Justification for the Study

A number of factors will be discussed that justify this study. First, Omani government policy over the last 41 years has been to implement Five-Year National Development Plans. All these plans aimed to expand and diversify the economy, develop human resource management and ensure that the necessary infrastructure was established (Development Council, 1976; Development Council, 1981; Development Council, 1987; Ministry of National Economy, 2009). In these plans, His Majesty Sultan Qaboos stressed the need to develop management of Omani youth in order to help Omani citizens take an active role in the country; and furthermore, to increase the number of Omani youth working effectively in the management field in both the government and private sectors, in order to develop people's management skills and ability to contribute to establishing the best objectives for their departments. Within these plans, the priorities for national development were outlined, such as upgrading most of the management of government ministries and providing many opportunities for Omani nationals to improve their management skills. Secondly, to the researcher's knowledge,

this study is the first academic study to be carried out in Oman in relation to investigating the issues surrounding the possibility of applying MBO in the government sector in Oman.

Therefore, this study is expected to contribute new theoretical knowledge to the body of international literature relating to MBO by proposing a strategic approach for applying MBO in the government sector in Oman. In particular, it will attempt to narrow the gap in knowledge concerning the international models and theories of MBO and identify their benefits and limitations, which could assess the applicability of MBO in the Omani government sector.

1.3 Aim and Objectives

The aim of conducting this research is to propose a strategic approach for applying MBO in the government sector in Oman. In order to meet this aim, the following objectives have been identified:

- Developing and understanding the principles and theories of MBO; identifying their benefits and limitations,

- Identifying the main criteria for developing a conceptual framework in order to apply MBO,

- Evaluating the applicability of MBO in the context of the Omani government sector,

- Exploring the challenges facing management in the government sector in Oman in order to apply the government strategy, and

- Suggesting recommendations for applying MBO in the government sector in Oman.

1.4 Methodological Approach

To meet the research objectives, the following research tasks are undertaken:

1. A comprehensive literature review to:
   - Develop an understanding of MBO developmental contexts; identify the principles of MBO, the success factors of MBO and the benefits of applying MBO in organisations.
   - Identify the various models of MBO as indicators of MBO's effectiveness.
   - Highlight evidence of successful international implementations of MBO in public and private organisations.
   - Identify criteria for developing a conceptual framework in order to apply MBO in the government sector in Oman.

2. A comprehensive study of the qualitative method (interview) to explore government strategy for developing managing human resourcesand investigate the challenges facing management in the government sector.

3. A detailed study of the quantitative method (questionnaire) to explore the applicability of MBO in the government sector in Oman. In this study, the qualitative data will be analysed using thematic analysis and NVivo as they will offer useful and flexible approaches for producing rich and detailed qualitative data.

4. A study to refine and validate the conceptual framework of applying MBO in Oman by interviewing several groups of participants from top, middle and lower management and employees in the case studies.

1.5 Structure of the Thesis

The thesis is divided into eight chapters, organised as follows:

- **Chapter one** includes the introduction, research outline, statement of the research problem, the need for and contribution of the research and the methodological approach.

- **Chapter two** is a literature review of worldwide implementation of MBO, which involves the history of MBO, its origins and development, definitions and principles. This chapter also documents and discusses the key success factors of MBO and its advantages and disadvantages; and reviews different models.

- **Chapter three** reviews previous international experience of implementing MBO in the public and private sectors, and covers previous studies about MBO.

- **Chapter four** provides a background to the Sultanate of Oman.

- **Chapter five** discusses research philosophies, approaches, strategies and methods of data collection and analysis. It then illustrates the protocols of the interviews and questionnaire and outlines the limitations of the field study.

- **Chapter six** provides the quantitative and qualitative findings from the case studies.

- **Chapter seven** offers in-depth analysis and discussion of the research findings. Parallels with the literature are drawn to determine similarities between primary and secondary data. This chapter includes development of the framework for applying MBO in the government sector in the Sultanate of Oman, extracted from the empirical works in the light of the literature. The framework will be concerned with the implementation of the MBO model in Oman for the benefit of management and employees.

- **Chapter eight** presents the contribution to knowledge, conclusions on how the researcher has fulfilled aim and objectives of the research, and the originality of the research.

Figure 1.1 shows the research structure.

Introduction, Research outline, Statement of Research Problem, the need and contribution of the research.	**Chapter One** **Introduction**
History of MBO: Origin and Development, Definition of MBO, Principles of MBO, Success factors of MBO, Advantages of MBO, Disadvantages of MBO, MBO Models.	**Chapter Two** **History and** **Development of MBO**
Some International Experiences to implement MBO, Previous Studies about MBO.	**Chapter Three** **Implementation and** **Previous Studies about** **MBO**
Background about Oman as the case study of this research	**Chapter Four** **Sultanate of Oman**
Definition of Research Methodology Research Philosophy Research Approach Research Strategy Data Collection Data Analysis	**Chapter Five** **Research Methodology**
	Chapter Six **Research Findings and** **Analysis**
Quantitative Data Analysis	**Chapter Seven** **Discussion of Findings**
Quantitative Data Analysis	**Chapter Eight** **Conclusion and** **Recommendations**

Figure 1.1: The Research Structure

CHAPTER TWO

HISTORY, DEVELOPMENT AND CONCEPT OF MBO

2.1 Introduction

This chapter focuses on the theoretical consideration of Management by Objectives (MBO); the way in which it has developed over the past few decades, and how it has been interpreted in different developmental contexts. The intention is to reach to a point where the position of MBO is clear, and where it can be understood how that position has been reached. The chapter offers various definitions of the concept of MBO, and describes the principles, success factors, and the benefits and disadvantages of implementing MBO. Finally, it provides a clear picture of the various models of MBO, and the value of these models.

2.2 Origins, History and Development

To understand the development of MBO, this section describes its history and development from the 1950s to the present time.

2.2.1 Development in the 1950s and 1960s

In the mid-1930s Gullick introduced the basic concepts for this model in his study on management organisation, although the term itself was coined in the early 1950s by Sloan in relation to the General Motors Company. That said, it was Drucker who fleshed out the concept and popularised it by comparing and contrasting managerial actions with the supervision of activities (Romani, 1998; Macdonald, 1982). Drucker used the term MBO in 1954 in his book *The Practice of Management* in which he argued that the model would ensure accountability, profitability and productivity (Drucker, 1954).

It is clear from the literature that at the beginning of the 1950s, MBO was perceived as a means of motivating, evaluating and controlling different sectors. It offers a systematic approach to change by emphasising the efforts of individuals in meeting attainable objectives agreed upon by employers and employees (Drucker, 1954). Furthermore,

Drucker (1954) indicated that the early development of MBO can be attributed to the expertise of the government rather than the experiences of the private sector, especially in the 1950s. He described MBO as a model based on setting clear goals, and evaluating (measuring) the results, executed in the following stages: objectives are first agreed upon and then the activities to achieve the desired goals are implemented by the employees; the employer periodically evaluates progress and, if necessary, clarifies the direction the employees should take (Drucker, 1954).

It was noted (SBR, 2000) that in the mid-1950s McGregor (1966) proposed an objective way to measure the performance of employees, by suggesting that a plan of action should be agreed upon by managers and employees, including the goals that could be achieved by the subordinates within a certain time period. The action plan included the obligations placed upon parties, the means to guide the two parties in evaluating the results obtained, and an indication of how new goals could be formulated on attainment of the previous ones (SBR, 2000). In making this proposal, McGregor (1966) indicated that conventional appraisal programmes had the disadvantage of focusing on personality traits. For example, some managers were not convinced of the validity of particular means of appraisal, and hence resisted their use, believing that they were inappropriate for judging the human effort. Accordingly, he suggested a new appraisal format, utilising Drucker's MBO concepts (Drucker, 1954). The employee sets his or her own short-term performance goals, which are then discussed with the manager. Individual performance is subsequently evaluated against these goals, chiefly through self-appraisal. Although MBO offered an improved method of appraisal, it dealt with only a small (although important) part of manager's job (Weihrich, 2000). Nevertheless, McGregor stressed the value of MBO, especially in performance appraisal, as noted by Hahn (2007); he suggested that MBO makes two contradictory sets of assumptions: the first is that people work in order to eat, so a strict, authoritarian approach should be used with them; the second is that people do not dislike work, but derive satisfaction from it, so that the manager's task is to help them to realise their full potential rather than control them.

By the early 1960s, MBO was widely recognised and accepted and implemented in both the private and public sectors. For example, it had been adopted by General Motors, General Electric, General Foods, Quaker Oats, and the University of Southern California. Krueger (2004) argued that both sectors were finding that MBO forced

management to plan rationally and systematically, rather than by relying on guesses. Its value was supported in a wide range of publications (*ibid*).

In the mid-1960s, behavioural scientists began to see MBO as a way of integrating the objectives of both organisations and individuals, with the latter becoming active participants in the managerial process (Weihrich, 2000). This view presupposes that senior management do not have a monopoly of 'knowing best', but that, individuals at all levels can make useful contributions to the success of the organisation. Participation is seen as a key to success (McGregor, 1966). Howell (1967) pointed out that the concept of MBO is basically an improved form of performance appraisal, being a total approach to managing a business with the objectives of individual managers being an important part.

2.2.2 The 1970s and 1980s

Management theoreticians such as Humble, a British consultant widely known in Europe, and the American Odiorne endorsed MBO (Humble, 1972; Odiorne, 1979; 1987). Humble (1972) focused on management development as a critical part of his MBO model, while Odiorne's book *The Human Side of Management by Integration and Self-control* emphasised the setting of personal development goals. Other authors stressed the motivational aspects of MBO, and MBO became seen as integrating individual objectives with organisational aims. Accordingly, it was applied in government departments and private establishments in the USA and Britain, as well as in some Asian countries such as India and some Arab countries like Egypt and Sudan (Al Amayrah, 1999). A review of MBO by Tosi and Carroll (1973) emphasised that MBO lets subordinates know what is expected of them. It encourages managers and employees to establish attainable objectives within specified time periods, improves communication between them makes individuals aware of the organisational goals, and improves performance reviews and the evaluation process by concentrating on results and providing systematic feedback. Thus, MBO is 'management by output' instead of 'management by activity' (Kleber, 1972).

Furthermore, in the 1970s many researchers and writers focused on MBO as a dynamic system linking the needs of the organisation to be profitable, with the needs of managers to participate in and contribute to the achievement of those objectives, and to develop

their abilities (Badawi, 1978). This period also saw the beginning of efforts to involve behavioural theory, which coincided with the popularity of Mcgregor's Theory Y (McConkie, 1975) that depicted individuals as having a predisposition to work, to respect rights and duties, and as wanting to achieve in the workplace. These assumptions provided an appropriate basis for the MBO model, enabling leaders to direct themselves in their investigation of organisational objectives, and achieving self-censorship (Al Hawari, 1999). In addition, Theory Y led to the expansion of the MBO model, which now offered a comprehensive approach to development and a new way of thinking; it became a vehicle for improving productivity throughout an organisation (Abdul Alwhab, 1976; Khamis, 1977).

By the 1980s, the MBO was focusing on the development of both the organisation and the individual employees within it, and their respective goals, realising individuals' potential and developing their strengths and career development w (Koontz *et al*., 1980). Again, the behavioural aspects of MBO helped to support these ideas, as personal goal-setting was widely employed.

2.2.3 The 1990s and the Third Millennium

By the 1990s, MBO was firmly established as a strategic planning tool ensuring appropriate allocation of all kinds of resources (Nashwan, 1992). In fact, it became an important tool enabling managers to set and achieve forward-looking goals. In order to use this tool effectively, managers had to: first, instil a strong sense of commitment in their employees, and a desire to contribute to organisational goals; secondly, control and co-ordinate their efforts to accomplishing goals; and, thirdly, help employees to fulfil their potential to enable their greater contributions (Kanan, 1995). Furthermore, during this period, personal development objectives were beginning to be taken as seriously as organisational objectives. Both are significant elements of the MBO process, which was seen not only to join together short-term goals and long-term objectives, but also to integrate the efforts of manager at all organisational levels (Bovee *et al*., 1993).

In the new millennium, Dubrin (2012) suggested that in the implementation of MBO, employees should be involved in the strategic planning process, in order to improve overall planning and to implement performance systems that would help the organisation to keep on the required path. Development of the MBO model has

certainly been substantial with evolution from a performance appraisal tool to a method for integrating individual and organisational objectives, finally becoming an instrument for long-term planning (Weihrich, 2000). Indeed, it is probably because MBO has continually changed and developed that it has survived as an effective managerial approach, and Weihrich (2000) advocates its continued development if it is to remain viable. He suggests that MBO should next be developed to integrate key managerial activities, and that concepts should be used to emphasise the interdependency of MBO with its environment. Robbins and DeCenzo (2007) have suggested that the traditional joint determination of objectives by subordinates and supervisors, and the periodic review of objectives, should be supplemented by rewards allocated on the basis of progress.

During this period, many studies have been conducted on the effectiveness of MBO. For example, Antoni (2005) concentrated on the need for group commitment to goals as a means of promoting employee satisfaction and boosting productivity. These findings encourage the use of MBO as a vehicle for influencing self-regulated and well-managed teams as to establish sound objectives, and to improve the interaction between the employees and the organisation. Abdullah (2010) reiterated MBO's ability to relate organisational goals to individual performance and development, involving all levels of management. MBO is thus a management technique that involves the application of collective objectives, action, vision, insight, and inspiration so as to change the direction, development, productivity and perceptions of both humans and the organisation as a whole.

Akrani (2010) observed that the MBO philosophy is very much like the planning concept, since both suppose that objectives have been identified, and set out to achieve them by planned action: "*MBO is the most widely accepted philosophy of management today. It is both a demanding, yet rewarding style of management, concerned with the accomplishment of objectives through the participation of all concerned persons, i.e., through team spirit*" (Akrani, 2010:1). There is an implicit assumption in MBO that individual performance is enhanced when the organisation makes it clear what it expects of its staff, and when they are able to relate their own personal objectives to the goals of the organisation. Akrani (2010:1) continues, saying "*superior/subordinate participation, joint goal setting, and support and encouragement from superior to subordinates are the basic features of MBO*". According to McBain and Smith (2010), Al Noah (2011), Kyriakopoulos (2012), Hollmann (2013) and many others, MBO has

become a management whose advantages include effective and purposeful leadership, employee motivation, high morale throughout the company, an objective method of evaluating performance, coordination of individual and group objectives, and improvement in manager-employee communication.

Thus, MBO is not necessarily a solitary management system, as it is complements other initiatives such as quality management programmes and performance management. Other results-oriented initiatives emerge from MBO itself, e.g. measuring customer satisfaction. Therefore, this historical consideration of MBO contributes to the development of the conceptual framework in this study.

2.3 Concept and Definitions

Both the concept of MBO and its definition have evolved over many decades, and will aid development of the conceptual framework for this study.

2.3.1 The Concept of MBO

MBO is considered to be successful approach because it combines the advantages of other management models and tries to remove their disadvantages (Al Noah, 2011). For example, MBO uses the theory of scientific management to expand productivity, yet it rejects other aspects of scientific management such as that theory's concentration on performance at the expense of considering the humanitarian aspects of the work (Al Alaq, 1983).

At the same time, MBO benefits from the experience of human relations theory, which focuses on the concepts of humanity and on the basis of which motivation to work and informal relationships between individuals in an organisation can be enhanced (Abdul Alwhab, 1977). Yet it does not fall into the trap of that theory, of placing too much attention on the human element and on job satisfaction and not enough on production (Al Shomoki, 1998). Similarly, Al Shomoki points out that scientific theory focused on the elements of work and productivity, whilst human relations theory focused on humanitarian rights only, whereas MBO considers how to secure both interests. Al Qaruoti and Zoalof (1989) agree with this perspective, that MBO includes aspects of physical interest, as well as the human relationships, psychological and social factors that affect employees.

MBO has also benefited from behavioural theory since this acknowledges the important effects which different environmental conditions – economic, social, cultural, political – have on the behaviour of employees. By considering these circumstances, MBO is able to determine their effects on productivity and efficiency, and to respond accordingly (Abdullah, 2010). MBO has taken the best of quantity theory and the theory of decision making by adopting scientific analytical methods advocated within these theories, to improve decision making in respect of problem-solving, and hence goal attainment (*ibid*). The next section provides different definitions of MBO.

2.3.2 Definitions of MBO

Having considered the concept of MBO and how it has evolved over the past decades, it is important to recognise that within the literature there is much reference to other terminology such as Management by Results, Management of Self-Censorship, and Management of Planning and Work Reviewing. In addition, the literature reveals various definitions of MBO from a multiplicity of writers and researchers with different perspectives. Hence, the definition of MBO adopted for this particular study follows a discussion of some of these definitions.

As previously mentioned, Drucker (1954) introduced MBO as a philosophy of management and a principle which gives full scope to individual strength and responsibility. MBO can ensure a common direction of vision and effort, establish teamwork and harmonise goals. It follows that all managers should participate in strategic planning and its implementation in order for an organisation to meet its goals. Consistent with this definition, Odiorne (1965) described MBO as a process in which managers and employees jointly identify common goals, define each individual's major areas of responsibility in terms of expected results, and use these measures as operational guides and assessing the contribution of each member. Obviously, from this description, it can be seen that MBO is a system of management, an overall framework used for guidance and direction (Odiorne, 1965). The superior and subordinate jointly identify objectives; in other words, he sees MBO as a method of participative management that requires both commitment and co-operation. Additionally, Odiorne's definition deals with identifying the expected results concentrating on output and evaluating people through their contribution to this output. Odiorne's definition (1965) also implies provision for the maintenance and orderly growth of the organisation by stating what is expected of each employee and then measuring what is actually

achieved. The idea of participation was raised by Dale (1965), whose definition of MBO refers to the practice as a system of management where the employee and the supervisor sit down together and agree on the objectives the employee should attain; then, having participated in setting the goals, employees naturally feel a greater commitment to reaching them.

In a definition by Howell (1970), MBO is depicted as a process that comprises performance appraisal, integration of objectives and long-range planning. There is, in fact, a common feeling that some measurement of jointly-determined objectives takes place, and that this is done in a forward-thinking manner. According to Hanika (1972), MBO is a process that can be divided into multiple steps such as: organisation objective setting, development of an action plan, periodic review of the achievement of objectives and evaluation through the performance and productivity of employees. Similarly, Carroll and Tosi (1973) indicate that MBO is a systematic approach to planning and evaluation allowing management to focus on achievable goals and to attain the best possible results from the available resources within a specific time period. The idea of a 'system' was also used by McConkie (1975:1) who identified MBO as "*a systemic approach to managerial problem solving and decision making. It is a process which directs managerial and subordinate goal setting; its purpose is to identify and meet organizational objectives.*"

Robbins (1984) defined MBO as a management system that includes several steps such as development of objectives, expansion of action plans, self-censorship and periodic review of performance. Similarly, Al Sulatan (1990) defined MBO as a managerial process of determining objectives within an organisation in such a manner that both management and employees agree to them and understand what they need to do in the organisation. The idea of involvement was one that attracted Rodgers and Hunter (1992: 27), who argued that MBO contains three main characteristics: "*participation in decision making, goal setting and objective feedback*". In this definition, the term participation means creating a common perception for the whole organisations, goal setting involves "*the continuous review and revision of objectives*"; and objective feedback is the tool used by managers to assess the progress of employees in achieving their goals. In the same way, Thomson (1998:1-2) proposed MBO as "*a process or system designed for supervisory managers in which a manager and his or her subordinate sit down and jointly set specific objectives to be accomplished within a set time frame and for which the subordinate is then held directly responsible*". On the

other hand, Mullins' (2010) definition stressed the developmental aspect of MBO, describing this as a phrase used to describe a style of management which attempts to relate managerial goals to individual performance and improvement through the participation of all levels of management.

In a more detailed analysis, Robbins and DeCenzo (2007) suggest that MBO has several elements. First, there is the specification of goals; when this has been achieved, this should produce the results that support the organisation's objectives and plan. Secondly, the objectives should be accepted by the employees if they are to be positively motivated and perform well. Thirdly, a time period should be set to ensure that employees focus on these objectives and fulfil them within the specified timeframe. Fourthly, periodic performance feedback is required to enable employees to evaluate how well they are performing, and make any necessary adjustments to their behaviour. These beliefs are all echoed by Merwe (2007:7) who considers MBO to be "*a management tool or technique that can be used in the virtual organization. It is a system in which specific goals are jointly determined by the virtual worker and the manager, progress towards goals is periodically reviewed, and rewards are given on the basis of that progress*". Clearly, this is not a haphazard process, as confirmed by Dubrin (2005) who defines MBO as an organised application of setting goals and planning so that individuals and firms will be more productive.

Fulk *et al*. (2011) considered MBO as a tool that complements the stages of team development, providing new insights into managing and enhancing teams' performance. Additionally, Sah (2012:2) defines MBO as: "*an appraising technique to value employee performance. MBO involves employee participation, goal specificity, performance feedback, reward based on performance, job description, participative decision making. Preponderance of organization is dramatically affected in terms of productivity because of better employee performance*". In fact, this definition emphasises management's need for MBO, citing the fact that because of competition at both the national and global level, the need for high quality management has become even more important. All these researchers agreed with Kotelnikov (2012), that in MBO management focus should be on the result rather than the activity, and that managers should delegate tasks by negotiating a contract with their employees concerning the goals they are expected to meet, but without prescribing a detailed roadmap for implementation. Recently, Hollmann (2013: 561) has defined MBO "*as a process whereby each manager establishes and works toward achieving specific MBO*

objectives in key areas of his job responsibility during a specified time period". It should be noted here that MBO definitely varies, as the process consists of a number of elements such as setting job responsibility, specific objectives, periodic review of progress toward objectives, and evaluation of performance.

From all the above definitions, it can be seen that particular writers have their own emphasis. Some concentrate on the idea of self-censorship, others emphasise the collaborative nature of the practice, and others concentrate on the dynamics of the employee/employer relationship as the needs of both are considered. They all, however, concur that MBO produces a statement of goals and the means by which to achieve them, those means including some sort of evaluation. Therefore, in this study MBO is defined as a management approach. The aim of its application is to improve performance and to increase the participation of management and employees in articulating the general and instructional objectives of the departments. Furthermore, it aims at estimating the allotted resources and time limits, and determining the expected level of productivity of every employee so that she or he is bound to live up to the expectations that were agreed upon. This also includes a follow-up plan and the annual evaluation. These are used for re-planning the objectives and work activities. To understand more about MBO, the next section discusses its main principles.

2.4 Principles of MBO

It can be understood from the previous sections describing the concept of MBO and the various definitions that have been put forward by writers in the field, that in order to apply MBO principles, it is important to develop an understanding of these principles. The literature review shows that there are eight underlying principles for this concept, as follows:

- **Participation**

This principle embodies the notion that there should be a partnership between the manager and the subordinate in terms of setting objectives, identifying ways to achieve the targets, and the means to assess performance and results (Dubrin, 2000). The principle of participation is very important because it contributes to increasing the effectiveness of the organisation through commitment of the manager and all employees

to the achievement of the objectives assigned to them. Furthermore, the act of participation engenders responsibility within the manager and staff for the achievement of goals, and contributes towards raising the morale of those involved, since it creates a sense of self through the significance of the work they are doing (Abdul Alhafeed, 2001; Abdullah, 2010).

Participation embraces the notion of democracy, and in a democratic workplace, ample scope is given to subordinates to make a greater contribution to the organisational goals, which are achieved not through workers following detailed orders, but by management securing workers' co-operation, obtaining their ideas, and recognising their ability to participate at all levels of management (Akrani, 2010). Moreover, the participation does not stop when managers have established the goals, acting together with their subordinates; rather, it extends further to the shared task of specifying responsibilities, assigning authority for achieving the goals, and constantly monitoring performance. This participative underpinning requires both parties to jointly agree, and formalise their respective obligations and areas of responsibility (Akrani, 2010).

Hahn (2007) observes that employee participation leads to greater acceptance by employees of performance goals and management decisions, with improvements in communication and understanding among both managers and their subordinates. It should be noted, that the type and degree of participation in the setting of objectives can vary widely. It may be that subordinates are only involved by being personally told what management has decided; or the subordinates may set the objectives totally for themselves, and decide on the methods which they use to achieve them. In practice, the methods adopted usually lie between these two extremes, although the greater the participation of both managers and subordinates in setting the objectives, the more likely they are to be realised.

Participation also requires a certain amount of dialogue in the process of planning and objective setting, as noted by Al Noah (2011), who pointed out the need for liaison between different organisational levels. In a meeting between superior and subordinates, the former brings specific goals and measures for the latter to achieve, and the latter also brings specific objectives and measures that s/he sees as appropriate or as contributing to greater success in accomplishing the task. Together, they develop a group of specific goals, measures of achievement, and timeframes in which the subordinate commits him/herself to the accomplishment of those goals, and is then held responsible for

achieving them. Participation may also include occasional progress reviews between manager and subordinate, but it is at the end of the set period of time that the subordinate is judged on the results achieved.

- **Setting Goals**

The principle of setting goals is another important element, and in this matter, Hahn (2007) makes the point that every manager must be able to clearly define the objectives for his/her function in the company. These objectives must be seen as contributing to other objectives of the organisation. If objectives are set which do not require any assistance from managers, they are less likely to be affected. Barton (1981) agreed with Drucker's (1954) suggestion that managers at every level should be involved in establishing the objectives for the next higher level of management. Most important is to ensure that any one individual's objectives are related to the common goal.

Brim (2004) addresses the business of goal setting, suggesting five steps, as follows: 1. Establish a set of top-level strategic goals and objectives; 2. Create a hierarchy of organisational goals and objectives supported by lower-level definitive objectives and action plans; 3. Develop a mission statement for the organisation as a whole, in addition to specific objectives and action plans for each individual; this would usually involve participative decision making; 4. Establish key results and/or performance standards for each objective; and 5. Regularly measure or assess the status or outcome of the goals and objectives.

An important element of goal setting is to ensure that once top management has determined the overall organisational objectives in consultation with other managers, these should be made known to all the members, and 'key result areas' should be widely publicised (Akrani, 2010). It is also emphasised by Carroll and Tosi (1973) that the objectives should be divided among each level of management in order to clarify their hierarchical nature, and that they should be appropriate for each of those levels to achieve. Only if they are assigned to all levels, and those levels are qualified to accomplish them, can the goals generated be achieved. In this respect, Locke and Latham (1990) emphasise that more specificity of objectives brings about better results since the requirements are clear, and that commitment from the groups involved is highly influential in attaining the objectives in practice. Such commitment is essentially the outcome of the degree of significance attached to the goal by those responsible for

achieving it, and with the amount of feedback they receive from superiors along the way (Odiorne, 1965). Indeed, in the group situation, Tubbs (1993) argued that every member must be committed since total determination is more likely to ensure the attainment of goals.

However, if they are to be committed, employees need to know precisely what they are committing themselves to, and this demands that goals be tangible, verifiable and measurable. In consultation with his/her superior, the employee sets his/her own short-term goals, but these must be examined to ensure that they are realistic and attainable in the particular work context where they are to be achieved (Akrani, 2010). Having said that the work context (and implicitly, the resources available) must be taken into account in goal setting, it is true that MBO focuses on the end result rather than on the methods used to ensure this result. This is clearly an omission, and for the achievement of goals, it is necessary that the managers and employees together devise a methodology that will be followed.

In MBO different organisations classify their objectives according to the length of time they will take to achieved, or to the administrative level to which they refer. In respect of the time frame, the goals are divided into long-term, medium-term, and short-term goals (Al Noah, 2011). In respect of the administrative level, they are divided into the general goals of the organisation, the objectives of departments and sections, and behavioural goals for employees (Robbins, 2001).

It is noted from the above that the classification at the organisational level highlights the process of converting the general goals of the organisation into the specific goals of the organisational units for each organisational level (Vecchio, 1991). Figure 2.1 depicts this cascade of goals (Robbins, 2001).
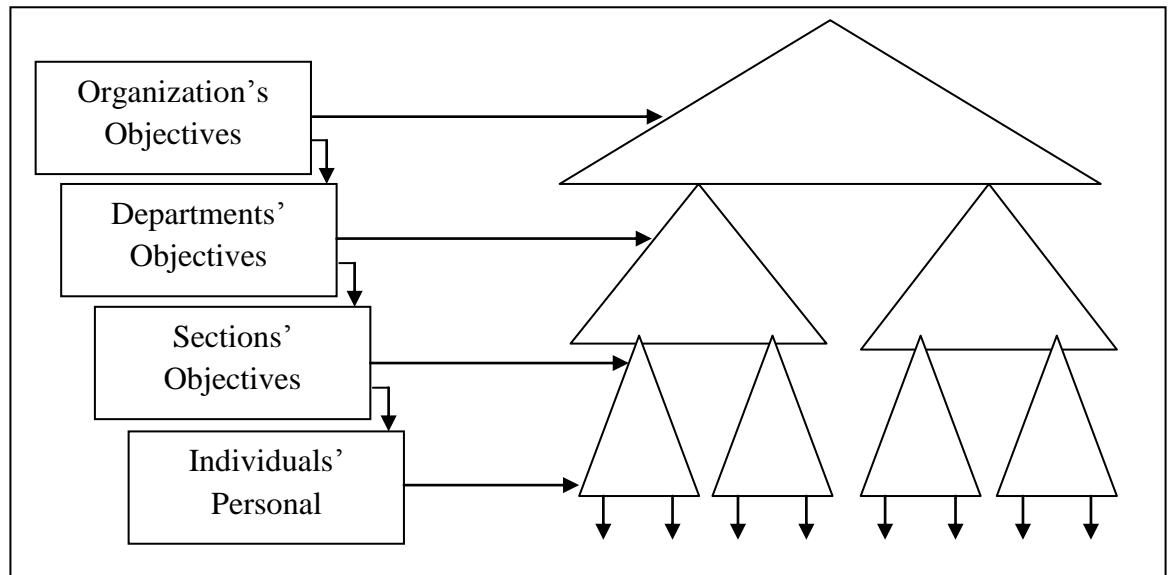
Additionally, there is much in the literature to confirm the need for these different types of goal to be clear and specific, and capable of being accomplished. This means that in formulating them, the realistic potential of the human and material resources of the organisation, and that they can be measured, should be borne in mind (Fulk, *et al*., 2011). In this respect, Eckstein (2009) declared that in MBO, it is possible to set objectives for any level of an organisation as long as they complement the overall organisational strategy (and hence the vision and mission). Given the various requirements of good goal setting, it can be seen that five main characteristics are essential, and for these the acronym of SMART is used to refer to these qualities; they must be specific, measurable, achievable, relevant, and time-based.

- **The Monitoring System and Evaluation**

The establishment of a monitoring and control system in organisations that apply MBO is necessary in order to measure results and undertake the necessary periodic evaluation. As well as helping to establish fixed rules for measuring performance, such a system also contributes to the extent to which the objectives are actually achieved, since it enables the feedback upon which behaviour can be sustained, or changed to realise better outcomes (Ivorschi, 2012). Hence, monitoring and evaluation is a fundamental principle in the MBO process (Thomson, 1998).

However, the monitoring and evaluation function of MBO has undergone considerable change over the years (Weihrich, 2000), from it being purely an appraisal tool in its

early development, to one that integrated individual and organisational objectives, and then to one that expanded to include long-range, strategic planning. If it is to remain a viable and effective managerial system, MBO must continue to evolve. Where appropriate, new knowledge concerning monitoring and evaluation should be included in MBO. This new approach recognises the interdependence of the organisation and its environment, and the fact that the organisational inputs are transformed through the MBO process to produce the outputs; the outputs themselves must continue to be monitored and evaluated.

Odiorne (1987) pointed out that, as goals are jointly set by superiors and subordinates, MBO provides a basis for evaluating an individual's performance, in which the individual is given sufficient freedom to appraise his/her own activities. An interesting aspect of MBO is that, as individuals are trained to exercise discipline and self-control, this management by self-control replaces management by domination, and consequently, appraisal becomes more objective and impartial. It has been noted already that McGregor (1966) considered conventional appraisal mechanisms to fall short in this respect, being focused mainly on personality traits, and not being attractive to managers who were not convinced of their validity. The whole essence of MBO is that whilst individuals are certainly evaluated, they are assessed primarily through a self-appraisal approach.

- **Focusing on the Results**

As a systematic and rational technique allowing management to achieve maximum results from the available resources by focusing on attainable goals, MBO allows subordinates substantial freedom to make creative decisions for themselves, improving their motivation, and hence encouraging good performance (Akrani, 2010). Thomson (1998:2) observed that "*managers have always been challenged to produce results, but the modern manager must produce them in a time of rapid technological and social change*". They must be able to capitalise on the opportunities brought by this change to produce their results, and must not be overcome by it. Hence, they should anticipate change and establish aggressive, forward-looking goals so that they may ultimately begin to encourage change when and where it is needed and, in this way, gain greater control over their environments and their own future.

Robbins (2001) notes that, in MBO, people are the most important tool of managers in setting and achieving forward-looking goals. In order to make the most efficient use of this resource, managers should consider workers' needs and behaviour. Thus, first, managers must be able to instil in workers a strong sense of commitment and a desire to contribute to organisational goals; secondly, they must control and co-ordinate the efforts of employees towards accomplishing these goals; and finally, they must help their subordinates to develop in ways that enable them to make greater contributions to the organisation as a whole. In MBO, the aim is to focus on the results, rather than the actual activities or the competencies of those who are to attain the objectives. Activity-oriented measurements therefore concentrate on behaviour and actions, which are means, not ends. This generates more activity, because what is measured is achieved. Competencies define the skills, knowledge and experience that an individual needs in order to produce the desired results. However, possessing a skill and using it successfully, are two different things.

Weihrich (2000) emphasises the focus on results, noting that in the early days of MBO the difficulties associated with traditional appraisals that concentrated on personal characteristics were surmounted by the process, since MBO concentrates on results rather than on those achieving them. In judging the results, assessment is made against verifiable standards, and there is no reliance on subjective evaluation performed by the manager. Rose (1977) also was made the point that the attention in MBO is on the wider organisational aims and how individuals contribute towards them.

- **Delegation of Authority and Power**

Another important element of MBO is the delegation of authority and power from managers to subordinates. MBO programmes require top management to provide clear and visible support, since without such commitment the synthesis between the individual and organisational goals does not develop (Krueger, 2004). The expectation in MBO is that when the employee works towards achieving his/her goals, the helping hand of the superior is always available. Thus, the superior acts as a coach, offering valuable advice and guidance to the employee. In this way, MBO facilitates effective communication between superior and subordinates in order to achieve the objectives and targets that have been set (Al Noah, 2011; Hollmann, 2013). The implementation of an effective MBO programme therefore demands complete support throughout the organisation; it also requires time and effort to be spent by all stakeholders.

Nevertheless, the effort put in can be a highly motivating exercise, enabling both superiors and subordinates to see their roles more clearly (Hahn, 2007).

- **Reward**

Clearly, for individuals to work towards goals there must be some notion of reward for their achievement. Abdullah (2010) commented that this is not a new idea, having been proposed that using goals to motivate individuals rather than to control them. Goal-setting theory shows that difficult goals result in a better level of individual performance than those which do not provide a challenge; similarly, specific hard goals produce better levels of performance than no goals at all. In line with this, MBO is most effective when the goals are sufficiently difficult to require individuals to stretch themselves. This scenario prompts the individual to action not because somebody tells him/her to do something or coerces him/her, but rather because the goals of the task itself demand it. Rewards can be several types and magnitude, ranging simply from the good feeling associated with achievement, to monetary gains.

- **Development of Employee and Organisational Performance**

Another characteristic of MBO is its focus on improving performance; as the setting of goals spreads down through the organisation, performance relates to every single individual, unit and department within the organisation, and to all the resources that are required to support the overall effort to achieve the objectives. This whole development is summarised by Akrani (2010) as:

- o *Manager-Subordinate involvement*. After the organisational goals have been defined, subordinates work with their managers to determine their individual goals. In this way, everyone is involved in the goal setting.
- o *Matching goals and resources*. Management must ensure that subordinates are provided with the necessary tools and materials to achieve these goals. Allocation of resources should also be done in consultation with the subordinates.
- o *Implementation of the plan*. After objectives have been established and resources allocated, the subordinates can implement the plan. If any guidance or clarification is required, they can contact their superiors.
- o *Review and appraisal of performance*. This step involves a periodic review of progress between managers and subordinates. Such reviews determine if the

progress is satisfactory, or if the subordinate is facing some problems. Performance appraisal takes place during these reviews, based on fair and measurable standards.

McBain and Smith (2010) and Barton (1981) asserted that in the early years of MBO the focus on objectives was a process of never-ending improvement; implicit in this was the need to incorporate continual feedback on the performance of tasks carried out to achieve the objectives. Moreover, these authors argued that the feedback should be immediate so that, if necessary, behaviour could be altered in order to achieve the established goals. Harbour (2009) reported that the goal of a performance measurement system is to provide the right person with the right performance-related information at the right time. This enables on-the-spot adjustments to be made to work assignments, so as ensure the highest possible level of performance.

- **Concern for Human Relations**

Another element of MBO is that it takes a human relations approach, and hence considers the personal goals of employees, as well as their relations with managers and colleagues (Al Hawari, 1999). Weihrich (2000) traces the development of the behavioural aspect of the MBO philosophy back to the 1960s, when the trend to integrate individual and organisational objectives appeared. This brought the individual into the field of decision making, allowing him/her to become an active participant in the managerial process. This move was underpinned by the notion that workers at all levels of the organisation are capable of contributing to the company's overall mission, and that knowledge is not the exclusive property of top management. Thus, participation is a key aspect. Alongside this characteristic of MBO is concern for the personal development of individuals, and hence the need to set objectives in this area. MBO recognises that learning does not stop with the award of a diploma or degree, but is rather a continuing process; as a result, developmental and growth objectives are now an important part of MBO.

Figure 2.2 summarises these principles.
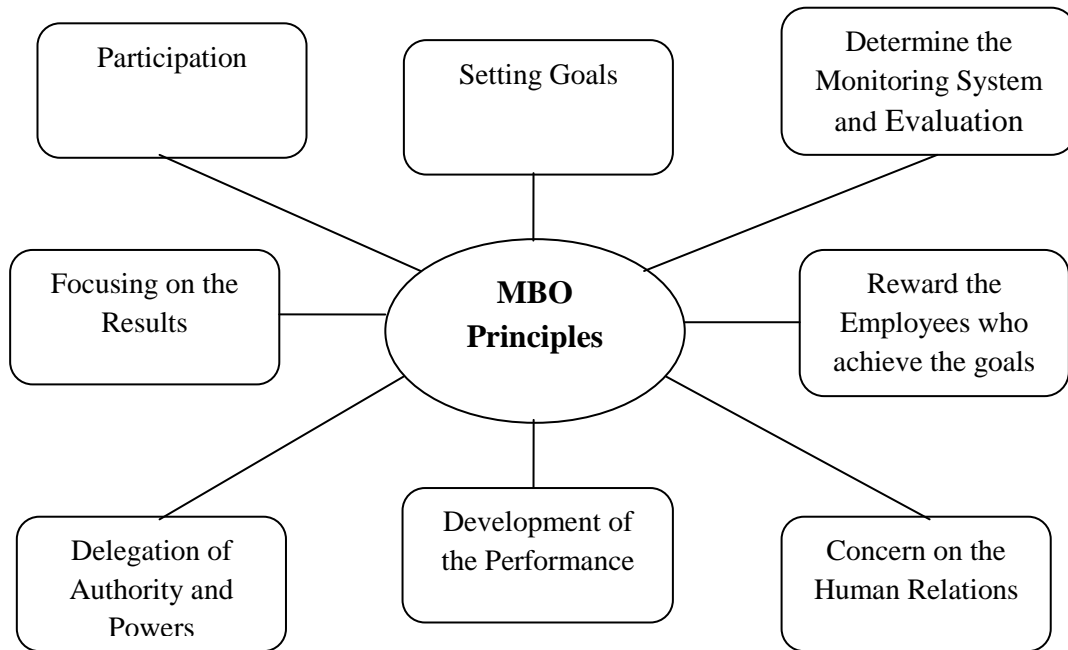
Figure 2.2: The Principles of MBO

Therefore, the principles will help to form the main themes for the conceptual framework for applying MBO in the case study of Oman. They form the underpinning theory which contributes to the development of the framework.

2.5 Critical Success Factors of MBO

In order to successfully implement the principles of MBO, it is necessary to identify its critical success factors. The literature identifies a number of factors, which are summarised here.

- **Support from all Levels**

Akrani (2010) emphasises that for MBO to succeed, it must receive the full support and co-operation of management, since without complete managerial acceptance it will fail. Hence, MBO must be tailored to the senior managers' style of managing. Managers themselves must be firm believers in the philosophy of MBO if they are to be deeply involved in its practice. If they are forced to accept MBO, their involvement will be insignificant at every stage. At the same time, employees must clearly understand that MBO is organisational policy, and that their co-operation is also required to make it successful. Kristiansson and Jaderberg (2007) have added that employees need to

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appreciate that MBO is a programme in which they have ownership and that it is not something imposed on them. They should not feel they are at the receiving end of some new management-initiated approach which they can only respond to in a passive way.

In this researcher's opinion, if managers are to accept the MBO philosophy, they must be genuinely sympathetic to the overall goals of the organisation, and they must have respect for their subordinates such that they are prepared to welcome them into the decision making associated with goal-setting, and to support them in learning how to participate in that decision making. Similarly, the workers must be predisposed to involvement and must make the effort to be active rather than simply expecting management to take responsibility for their own development.

- **Manpower Required for MBO**

As implied above, certain characteristics are required of the stakeholders in MBO. Clearly, MBO works down throughout an organisation, reaching all hierarchical levels and all sections of the workforce. This demands that the individuals for whom they are formulated are capable of achieving the goals set for them (Dubrin, 2010). This in turn requires a concerted effort by all those involved to collect sufficient information about the situations they are in, to allow for the construction of appropriate objectives, suitable timeframes for achievement, and realistic estimates regarding what resources might be needed to facilitate the achievement of the goals (Hahn, 2007).

This implies that managers must be able to listen to their subordinates, and that subordinates must be able to contribute in an intelligent way. These skills and abilities can be developed through formal education, structured training, practical experience, and the right climate for the development of MBO (Abdul Alwhab, 1984). Figure 2.3 shows the characteristics required of all those involved in the MBO process.
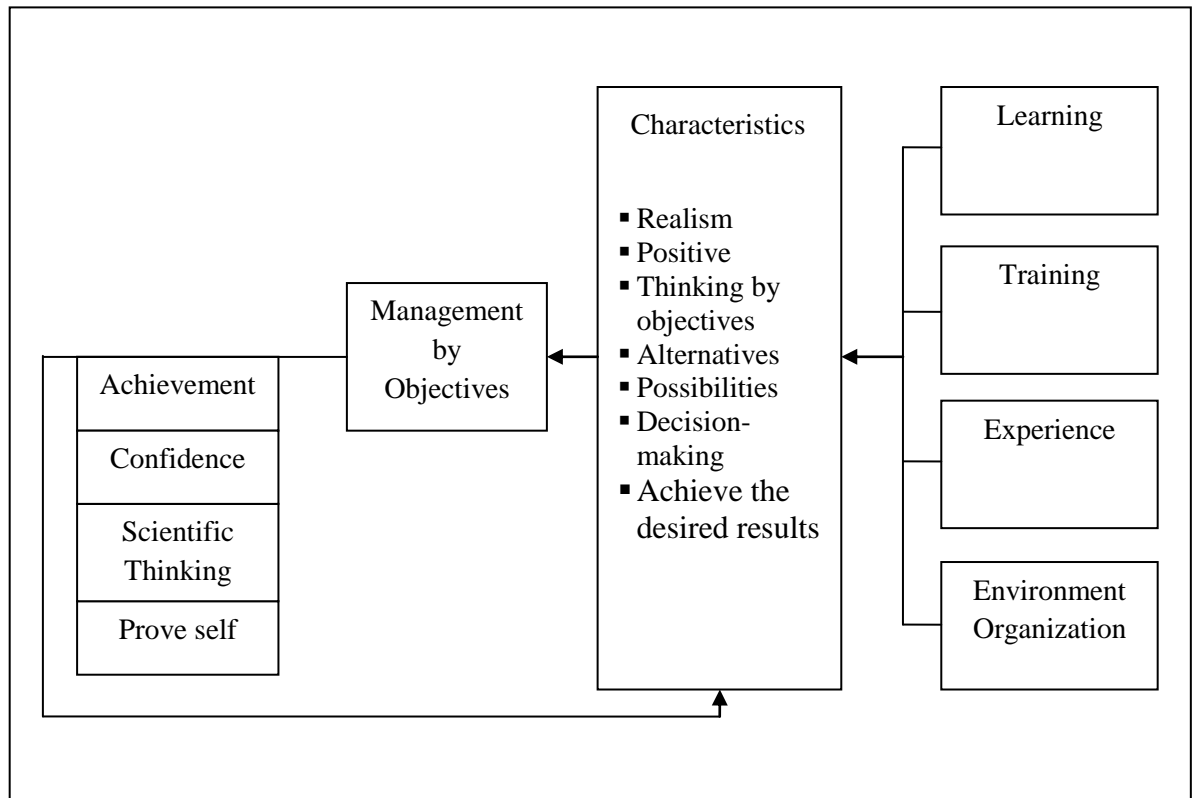
Figure 2.3: The Characteristics Required of Stakeholders in MBO (Source: Abdul Alwhab, 1984:109)

In this researcher's opinion, the development of such characteristics is essentially a cultural matter, since in some societies those with managerial power may be reticent to consider the views of their subordinates; at the same time, there may be fear among subordinates of reprisals for daring to offer advice to managers in an environment where workers are not conditioned to participate. Other societies have the opposite characteristics; managers are enthusiastic worker input, and workers are equally eager to make contributions. Therefore, the nature of the culture itself may have a strong bearing on whether the right type of manpower for effectively implementing MBO is actually available.

- **Individual Motivations**

Another critical success factor in the effective implementation of MBO is top management's realisation that the commitment of individuals to organisational goals is a direct result of their personal motivations, and that it is necessary to appreciate and satisfy these individual motivations (Mali, 1972). This implies that senior managers

who wish to implement MBO must consider what their workers actually believe in, since positive beliefs will bring sincerity in respect of pursuing objectives (Al Noah, 2011; Rosli, 1990). One way of helping to persuade people of the benefits of MBO, and therefore of bringing about positive beliefs, is to highlight the successes of MBO elsewhere (Busch, 1998).

In this respect, the researcher believes that workers must be open-minded, and able to see a link between their personal motivation (even if this is only to take a respectable salary home and to care for their families) and the effort that they put into trying to achieve the specific and general organisational objectives they are working towards. This implies a significant role for all levels of management in learning how to guide the goal-setting process such that employees feel they are sufficiently empowered to ensure that the agreed objectives are of genuine interest to them and match their personal motivations.

- **Information System**

Akrani (2010) highlights the need for uninterrupted information feedback as a critical success factor for MBO. He notes that both superiors and subordinates should have regular information about how well the subordinates are performing in their attempts to reach the agreed objectives. The information should also form part of the regular performance appraisal sessions, and as part of the overall information system, provision should be made for counselling, and encouragement to subordinates.

It has already been said that MBO cannot operate without correct information regarding all aspects of organisational performance. Indeed, managers must have information on not only the organisation's objectives but also the needs of individuals if they are to jointly formulate goals, analyse performance, and re-formulate goals to ensure constant improvement (Philip, 1993). As noted by Al Salmi (1999), practical experience of the New Rochelle School in America in the application of MBO, demonstrated that one of the main success factors was the availability of information and data on goals and financial needs for implementation and training.

This factor takes the view that the information system is clearly crucial, and this is another aspect that is dependent upon the stage of development of the society. In some countries, the use of IT to improve organisational information systems is still

unsophisticated and may present a barrier to the successful implementation of MBO. Furthermore, where there is a culture of not sharing information, a re-orientation of attitudes is required to obtain a more open communication atmosphere.

- **Measuring Performance**

Another critical success factor for MBO is the implementation of a sound performance measurement system. This may include daily, weekly, monthly or periodic review, depending upon the nature of the objectives and the timescales in which they are to be achieved. The outcome of each review action should be an assessment of the extent to which the goals are being met, so that planning for the next stage can continue, based on accurate information (Curtin, 2009; Dahawi, 1995).

As part of the measurement and evaluation system, a system of reporting is necessary; this system itself should be regularly reviewed to ensure that it is doing its job properly and that reports are not merely box-ticking exercises that offer no real evaluation. Indeed, there are reports and procedures can be misused in at least three ways. The first relates to the belief that procedures are instruments of morality; the second is the idea that procedures can become a substitute for judgement; and the third, the most common, is that the use of reports and procedures is simply a means of management control (Myers, 2012). To avoid these pitfalls, reports and procedures should focus on the performance needed to achieve the results in key areas. They must be the tool of the person who completes them, rather than themselves becoming the measure of performance. In any case, they should be kept to a minimum, should be as simple as possible, and used only if they save time and effort (Drucker, 1954).

It can be said that the measurement of performance should be open and well-understood by all those involved, since such transparency helps in a merit-based reward system. Again, some cultures do not operate their reward systems on merit, but rather on long service and according to influences brought about through tribal and family affiliations. In an MBO culture, rewards are attached to performance, and therefore its measurement and subsequent evaluation have to be clearly-defined objective processes. This may present a challenge in those societies where nepotism is a common feature.

- **Training**

Training is an absolutely crucial critical success factor. As indicated above, the MBO philosophy is totally alien to some countries and cultures, and even in countries where such barriers do not exist, the stakeholders may have no prior experience of the processes involved. In this respect, Akrani (2010) observes that managers should be given adequate training in MBO philosophy before introduction of the programme itself, so that they are able to integrate the technique with their organisation's basic mission. Such training involves practical sessions in which performance objectives are formulated and evaluated, and discrepancies checked. As part of the goal formulation, both managers and employees must be trained to set realistic goals, for which they themselves will be held responsible for achieving.

It is also important for senior management to appreciate that all new management techniques are useless without skilled people to implement them, another justification for investing in the general development of all stakeholders, and not only in the skills required for MBO. The point is made by Hahn (2007) that as part of such general development, managers need to be taught how to use advanced methods of performance appraisal.

Kyriakopoulos (2012) argues that sophisticated analytical skills are required of managers if MBO is to be successfully implemented. In this respect, managers are required to understand the organisation's activities, decisions, and relationships. They must be able to classify activities and place them in the organisational structure, according to their contribution to overall objectives. The number of relationships required for each position to achieve its goals should be minimised. The organisational structure should be such that decisions can be made at the lowest level possible, consistent with the smallest number of people who must be consulted in making those decisions. Senior managers should aim for clarity, simplicity and economy in the organisational structure, with the fewest possible levels, because each level involves a communication link that adds complexity and noise to the decision-making process. The fact that managers must also motivate and communicate means they are required to demonstrate social skills and inspire trust; they must focus on results, at the same time being aware of the need to provide fair rewards that balance the merits of the individual against the needs and stability of the group as a whole. Motivation is encouraged by job design, high expectations of performance, and sound decisions on compensation and

rewards. Additionally, managers must establish yardsticks of performance, establishing controls and appropriate reporting mechanisms, and consider how best to develop their own and others' careers.

It is the view of this factor that the skills and abilities required of all parties for the effective implementation of MBO demand a strong focus on training, since many of the attributes discussed above are not naturally present in either managers or workers, and in some cultures and societies, they are harder to instil than in others. Nonetheless, with appropriate training and the creation of the right skill set within an organisation, MBO can be implemented successfully and greater performance and productivity realised' this should be sufficient incentive to persuade senior management of the need to invest in comprehensive training as a means of supporting MBO initiatives.

- **Incentives**

Yet another critical success factor relates to the incentives to adopt MBO that are presented to people within the organisation. It has been argued that the MBO philosophy itself provides one important incentive since it recognises that all people are worthy of taking part in the decision making that affects their working lives, and provides them with opportunities for self-actualisation that might not have previously have been present in their workplace. MBO deals with people as mature individuals, accords them responsibility, assumes that they are able to identify goals and objectives, and that they can guide themselves and exercise self-censorship (Barton, 1981; Ivorschi, 2012); in other words, it gives them respect. Despite this implicit incentive, financial incentives such as rewards and bonuses may also be required, as will incentives such as moral support, and displays of appreciation from the management (Cook and Hunsaker, 2001).

Drucker (1954) indicated that when management rewards those individuals who have achieved their goals, a clear message is sent to everyone that the attainment of goals is valued, and that MBO is not simply an exercise but an essential aspect of performance appraisal. Fair and accurate assessment of performance is important, highlighting why setting measurable goals and clear performance indicators are essential to the MBO system.

From this researcher's perspective, the issue of incentives is inextricably bound up with the matter of individual motivation, already discussed in sub-section 2.3, and it is clear

that what motivates people in one culture may not have the same attraction for people in a different cultural environment. Therefore, for the success of any MBO, management must explore in detail which incentives will have meaning for the workers, and respond accordingly.

- **Teamwork**

Teamwork has emerged as a critical success factor in respect of many modern management philosophies, especially those concerned with quality improvement. In this matter, Akrani (2010) has argued that MBO is not simply cosmetic, but is a challenge to managers to provide active support, involvement and commitment. Managers must change their emphasis from planning for work to planning for the accomplishment of specific goals; Koontz *et al*. (1980) concluded that MBO initiatives must be conceived as part of an overall management style, since they do not succeed if implemented as stand-alone techniques.

Teamwork makes it possible for the work of individuals in a group to achieve more than the sum of individual inputs (Robbins *et al*., 2013). Fulk *et al*. (2011) had already recognised the value of teamwork, emphasising that it implies balancing efforts towards objectives, since uneven inputs or a tendency towards empire building will result in deterioration of organisational performance. According to Drucker (1954), good business results are dependent on balanced efforts and outputs, and the use of teamwork permits this, acknowledging the importance of each function and specialty, and preventing rivalry between the functions or over-emphasis of one function at the expense of another (Hollmann, 2013).

Drucker and Maciariello (2004) observed that MBO supports and facilitates teamwork. Communication in all directions, whether upwards, downwards or sideways, is essential to the setting and accomplishment of objectives. Antoni (2005) also noted the strong influence of teamwork, demonstrating from his study with 176 employees in 26 teams that the MBO system is a powerful tool for developing group efficiency, productivity and job satisfaction. However, he also discovered that team characteristics play a vital role in the level of success achieved in meeting goals. Consequently, it can be seen that team working underpins effective MBO, and that MBO reinforces the value of teams.

Most of these factors are linked in some way with the principles of MBO already mentioned, although their significance has not been highlighted to the same extent.

These factors will also contribute to the development of the conceptual framework in order to assess the implications within the Omani context.

2.6 Benefits of Implementing MBO

There are many advantages of implementing MBO, some of which have already been identified in the conceptual analysis and the various definitions presented above. However, in a more detailed analysis, various researchers have identified particular areas where benefits can be derived:

a. Improved Employee Motivation and Morale

Al Noah (2011) has cited the importance of improving the motivation of the employees involved in setting goals and of increasing their job satisfaction, making them feel more empowered and therefore more committed. It has been said earlier that the measures used for MBO are often tied to rewards, as a motivational tool; especially where individuals are rewarded for their personal effort, this generates even more motivation. Most MBO implementations do offer rewards, although collective rewards often have the effect that common behaviour becomes too mainstream (Romani, 1998), so that individual employees are unable to identify their own contributed to the group. Collective rewards may also lead to free-rider behaviour (Al Rehaily, 2009), which motivates the best performing individuals.

Additionally, Akrani (2010) cites the advantage that because MBO requires managers to allocate resources so that specific individual and group goals can be achieved, staff are more motivated as they perceive the goals to be attainable, and that they can make a positive contribution to achieving them. This, as was argued by Ivorschi (2012), leads to improved morale among employees as they value the participation afforded to them and the attention to the conditions that help them to achieve their goals. Sah (2012) also observed that MBO acts as a motivational force in giving both individuals and groups the opportunity to use their imagination and creativity to accomplish their tasks, while the fact that both appraiser and appraise are committed to the same objective means there is no conflict of interest, again helping to improve motivation.

b. Improved Communication and Co-ordination

MBO clarifies goals, improves communication and co-ordination, and leads to supervisors and subordinates interacting on a frequent basis. A key aspect of MBO is regular and frequent follow-up and feedback (Sah, 2012), meaning that greater interaction occurs between superior and subordinate, and that opportunities are provided for the development of a culture of communication and dialogue (Al Rehaily, 2009) and improved relationship building. This benefit of improved communication between managers and subordinates was also highlighted by Kristiansson and Jaderberg (2007), when they emphasised that one output of improved communication was the fact that individuals become aware of organisational goals, and hence, of what is expected of them, and over what period of time.

c. Improved Worker Participation

As was noted by Al Noah (2011), MBO requires employees to participate in the goal-setting process and so influence the objectives they are to achieve. This provides encouragement to them to perform well and at the same time develops their capacity in decision making, not only in setting the goals but also in determining how to meet them.

d. Improved Managerial Support to Workers

MBO programmes require executives to provide clear support for all participants (Hollmann, 2013), such that a range of facilities not previously available to workers may well come on-stream, as for instance training in various skills (decision making, assertiveness, negotiation).

e. Improved Workforce Skills

Abdullah (2010) noted that in organisations where employees have influence as individuals, continuous personal development is likely. Similarly, Al Noah (2011) notes that individuals are trained to exercise discipline and self-control, that managers and individuals become more skilled at appraisal and those personal leadership skills are developed within managers. Such development not only makes for a better qualified workforce in general, but it also helps managers in particular to climb promotional ladders, and this is another motivating force.

Thomson (1998) recognised such improvements, noting that managers become increasingly able to help employees' development. They are better able to see their strengths and weaknesses in operation on a specific objective, and use a management approach that teaches the subordinates (and the manager) to think in terms of results in

the future. This approach teaches them to try to anticipate change, to define clear and specific objectives, and to delineate concrete measurements that will tell them when they have achieved their goals.

f. Improved Planning and Control

The basis of MBO is that progress is planned through objective setting, and that control is implicit in order to establish what progress has been made. Akrani (2010) observes that given the inherent nature of MBO, one advantage is the increased attention given to planning, developing action plans, ensuring resources are available to complete the tasks associated with the action plans, and generally managing the whole planning process more effectively. In this respect, Tosi and Carroll (1968) pointed out that the stress on collaborative efforts between managers and subordinates which is implicit in MBO also aids planning. The same can be said for the control process since continuing monitoring is an essential feature of MBO. Actual performance is measured against the standards laid down for its measurement, and any deviations can be corrected. MBO begins with the establishment of a clear set of verifiable goals, and this provides the benchmarks for control.

In respect of control, Thomson (1998) pointed out that managers gain more control in several ways: by having a clearer picture of who is doing what and how the parts all fit together; having subordinates who are more likely to control and co-ordinate their own activities because they know what will help and what will hinder their goal achievement; and being able to see which subordinates consistently produce and which do not. Harbour (2009) also stressed that MBO facilitates individuals' thinking in terms of their organisation's future needs and the setting of objectives to meet those needs, and that it can supply the manager with greater measures (the tools) s/he needs to make the best use of the organisation's greatest resource, its people. In this way managers become much more skilled.

g. Improved Performance Review and Evaluation

Al Noah (2011) identified improved performance review and evaluation as an advantage to be gained from MBO because the approach focuses on results. This confirmed the opinion of Mullins (2005), who observed that MBO facilitates objective appraisal, with both superior and subordinate participating in the process.

In this researcher's opinion, the potential benefits to be gained from introducing MBO will be more or less, depending upon the particular context, i.e. whether the organisation is in the public or private sector, and whether it is in a developed or developing country. However, the many advantages discussed make it worthwhile attempting to adopt MBO.

2.7 Limitations of MBO

Despite the advantages of MBO outlined above, there are inevitably disadvantages. Al Qwareen (2010) commented that whilst MBO is easy to understand in theory, difficulties often occur in attempts to implement it as a steering tool within an organisation. One very important explanation for this is the increasing costs that come with every new routine or administrative technique. Akrani's view (2010) confirmed that MBO is more time-consuming than ordinary techniques, not least because the entire organisation must be involved, and hence the costs incurred in respect of time are higher than with other methods. There are significant additional costs associated with monitoring the behaviour of every person in an organisation, as is required by MBO.

Sah (2012) also identifies some disadvantages of MBO. In this respect, he argues that the approach over-emphasises goal-setting in order to drive the outcomes and that this is at the expense of a sensible working plan, which would take into account environmental influences upon employees' ability to reach the goals formulated. He also expresses concern at MBO's focus on the 'ideal' employee rather than on reality, and on the fact that goal achievement is prioritised over any process followed to reach that goal. Hence, it does not address obstacles such as defects in planning, insufficient availability of resources or the methodology followed by employees in reaching their goals. Finally, he argues that MBO can not handle the challenge of managing information in the organisation.

Another criticism of MBO is that it was designed for the private sector and is not particularly suitable for the public sector (Al Qwareen, 2010). Nevertheless, it was chiefly implemented in the public sector during the 1990s, intended to solve the problem of politicians controlling the administration in detail, and to produce a greater focus on quality, efficiency and productivity. However, MBO used as a steering tool in

the public sector has been much criticised, not least because the model was not designed for a political organisation. It is argued that the public sector should always focus on politics and democracy, something that MBO prevents. The public sector is run by politicians, elected by the citizens, and these politicians have been elected for their political standpoints, which differ substantially among them. This means that the management of political organisations sometimes disagree, but to be able to establish goals they have to negotiate and reach an agreement; hence, on occasions they must surrender their political standpoints (Al Noah, 2011). Organisations in the private sector focus on maximising profit, which is a goal that does not exist in the public sector. In the latter it is difficult to establish an overall goal because of the widespread and wide variety of services offered. Hence, it is also difficult to create sub-goals as there is no one overarching objective. Moreover, the commonly held notion that good quality service to the public is the main aim is often understood and interpreted in different ways by employees, which makes it even harder to create a goal hierarchy; the result is that public sector goals are in general fuzzy, divergent and hard to define (Al Qwareen, 2010).

This naturally stands as a barrier to the implementation of MBO because if the goals are too general, the steering effect will not emerge; however, if they are too specific the local authorities will be limited in their daily work (Hollmann, 2013). The need to provide many services means that many different goals must also be defined; it is hard to combine these different goals, which may end up competing with each other. When such problems do occur in an organisation, their effects become visible and rather than improving performance, they decrease it. Hence, one response may be that the public sector should cut its services to enable it to focus on the most important, although in giving priority to certain goals, organisations often concentrate on the measurable ones even if these are not the most important (Thomson, 1998). The result is that other goals, that may be much more worthy, become marginalised (Kennerly and Micheli, 2005). Indeed, one problem with performance measurement is that it can be hard to see what should be evaluated; hence, the effort is put into what is evaluated because it is easier to measure this than the actual result. This is a tendency that especially appears in the public sector (Al Rehaily, 2009).

The output and effects of a particular service are generally good indicators of goal fulfilment, but the complexity of specifying the output of the services offered in the

public sector makes it hard to use output as a leading indicator (Al Noah, 2011). Further, a framework measuring performance specially adapted to the public sector would mean that all the different stakeholders for public services must be identified, and this an impossible task to complete (Micheli and Kennerley, 2005). As stated earlier, rewards (especially individual ones) are often useful tools to motivate and stimulate employees to perform in a desirable way, but in the public sector individual rewards are not usual, since they are perceived as unfair. Moreover, it is argued that public sector employees are not conditioned to expect individual rewards and therefore would not often appreciate them as much as employees within the private sector (Al Qwareen, 2010). This seems that it is just as important for public sector employees to be rewarded for good performance as it is for private sector workers.

Employee participation in the process of formulating goals can also be a problem in the public sector (Ivorschi, 2012). Furthermore, the heavy centralisation associated with the public sector precludes the participation required in a successful MBO approach. On the other hand, Al Noah (2011) is stated that a public organisation that is too decentralised might lead to employees being able to affect the organisationin in two ways, both as employees and as citizens. This would jeopardise the democratic principles on which the public sector is built. It would also mean that power would be transferred from politicians to employees, which is often the case in reality, since the employees in local administrations are usually the people who formulate the political goals because the politicians themselves do not have the skills required to do this and are dependent on the employees.

Another difficulty for MBO in the public sector is that the approach demands a long-term perspective with room for personal development in the process of trying to achieve established goals. The short cycles that exist in the public sector prevent this. As stated above, the public sector is controlled by politicians and elections take place on a periodic basis, which indicates a short-term perspective (Al Rehaily, 2009). This point was also raised by Sah (2012), who argues that MBO generally does not take account of the rapidly changing environment, a criticism applying equally to both the public and private sectors. Kennerly and Micheli (2005) revealed that the budget is often the preferred, if not the only, way of steering. In comparison with the public sector, a corporation wants to generate as high a profit as possible to please its shareholders. However, high incomes in the public sector only indicate that costs have been lower

than revenue. A focus on financial matters will decrease the focus on democracy, equity and welfare, which should be the main leading indicators in the public sector (Abdullah, 2010).

In summary, Akrani (2010) identified several limitations of MBO, as follows:

- *Time-consuming*: MBO is a time-consuming process. Objectives, at all levels of the organisation, are set carefully after considering the pros and cons, which takes much time. Superiors are required to hold frequent meetings in order to acquaint subordinates with the new system. The formal, periodic progress and final review sessions also consume time.

- *Reward-punishment approach*: MBO is pressure-oriented and therefore based on reward-punishment psychology. It tries to indiscriminately force improvement on all employees. At times, it may penalise the people whose performance remains below the goal. This puts mental pressure on staff. Reward is provided only for superior performance.

- *Increases paperwork*: MBO programmes introduce a mass of paperwork such as training manuals, newsletters, instruction booklets, questionnaires, performance data and reports, into the organisation. Managers need information feedback in order to know what exactly is going on in the organisation. The employees are expected to complete a number of forms thus increasing paperwork.

- *Creates organisational problems*: MBO often creates more problems than it can solve, thus, an incident of tug-of-war is not uncommon. The subordinates try to set the lowest possible targets and superiors the highest. When objectives cannot be restricted in number, it leads to obscure priorities and creates a sense of fear among subordinates. Added to this, the programme is used as a 'whip' to control employee performance.

- *Develops conflicting objectives*: Sometimes, an individual's goal may come into conflict with those of another e.g. the marketing manager's goal for high sales turnover may find no support from the production manager's goal for production with least cost. Under such circumstances, individuals follow paths that are in their own interest but which are detrimental to the company.

- *Problem of co-ordination*: Considerable difficulties may be encountered while co-ordinating organisational objectives with those of the individual and the department. Managers may face problems of measuring objectives when the objectives are not clear and realistic.

- *Lacks durability*: The first few rounds of MBO are motivating but the marginal benefits often decrease with each cycle. Moreover, the programme is deceptively simple. New opportunities are lost because individuals adhere rigidly to established goals.

- *Problems related to goal-setting*: Problems arise when: (a) verifiable goals are difficult to set; (b) goals are inflexible and rigid; (c) goals tend to take precedence over the people who achieve them; (d) there is a greater emphasis on quantifiable and easily measurable results instead of important results; and (e) there is an over-emphasis on short-term goals at the cost of long-term goals.

- *Lack of appreciation*: Lack of appreciation of MBO is observed at different levels of the organisation. This may be due to the failure of the top management to communicate the philosophy of MBO to the entire staff and all departments. Similarly, managers may not delegate adequately to their subordinates or managers may not motivate their subordinates properly. This creates new difficulties in the execution of MBO.

In concluding this section, it can be seen, therefore, that whilst its followers believe MBO is a useful management approach for improving performance and profitability, there are nonetheless some significant criticisms of its philosophy. However, the benefits of this approach outweigh the limitations.

2.8 Summary

Seen in a historical context, MBO is considered a highly participatory management system. It allows employees to be active participants in establishing guidelines for their performance and appraising their achievements.

The literature review revealed several issues, as follows:

- MBO is a results-oriented approach that should be implemented when an organisation and its culture want to establish a commitment to results.

- MBO offers obvious goals, specifying job responsibilities and reducing ambiguity through continuous performance feedback.

- Factors that have been suggested as contributing to the success of MBO implementation include support from all levels of management and employees, motivation, information feedback, measuring performance, training, incentives and teamwork.

- In MBO, after the organisational goals have been defined, employees work with their managers to determine their individual goals and action plan, thus involving everyone in setting goals. Management must ensure that the employees are provided with the necessary tools and materials to achieve these goals, and the allocation of resources should also be done in consultation with employees.

- Periodic review and appraisal of performance is one of the main principles of MBO, to determine if the progress is satisfactory or if the employee is facing any problems. Performance appraisal should be based on fair and measurable standards, results obtained and rewards given.

- Other factors that may help in the implementation of MBO include the development of specific measurements, the clear indication of a time period in which to achieve goals, and the need for clear delineation of responsibilities and duties at different organisational levels.

- Some limitations of MBO implementation have been identified: it is time-consuming, a reward-punishment approach, it increases paperwork, develops conflicting objectives, lacks durability, and suffers from a lack of appreciation

Therefore, the above literature will assess to form the conceptual framework of this study.

CHAPTER THREE

INTERNATIONAL MODELS AND IMPLEMENTATION OF MBO

3.1 Introduction

Various theorists have proposed ways of approaching MBO over the years since the philosophy was first suggested. Whilst there are many similarities between different writers, there are also slight variations, with different emphases given to particular aspects of the MBO philosophy and implementation. Therefore, this chapter presents different perspectives of MBO models. It also describes several international implementations of MBO in public and private organisations. This could help the researcher to consider the models' value in terms of facilitating the conceptual framework and empirical work that will be undertaken in Oman.

3.2 Developing Perspectives and Models of MBO

This section reviews various perspectives on MBO. Although many researchers perceive the approach to be worthy of detailed consideration, and hence implementation, it is plain from the numerous models introduced that approaches vary. Some are vague and appear to leave room for flexibility in the way an MBO is managed, whilst others are extremely detailed in an attempt to ensure that the fundamental principles of MBO are followed. Additionally, some emphasise the critical success factors.

Many models of MBO, including those of Humble (1972), Robbins (1984), Vecchio (1991), and Certo (1997), show remarkable similarities, all concentrating on identifying goals, developing a plan of operation, undertaking periodic review, and then conducting a final evaluation. Essentially, these models identify the critical path to be followed in the MBO process.

Other models, however, present specific variations. For example, Drucker (1954) restricts his model to setting goals, implementation, and evaluating performance, a

perspective that stems from the models of leadership that were blueprints for MBO at the time. Odiorne (1987), Carroll and Tosi (1973), and Al Hawari (1999) prefer clearly defined and detailed steps, leaving some for leadership behaviour, and offering a blueprint which must be strictly adhered to.

At the same time, marked differences of emphasis are apparent among some models. For example, Certo (1997) produces an excellence model with the emphasis on the principle of rewarding employees in the organisation for achieving the desired objectives. The perspective advanced by Robbins (1984) stressed that regular self-monitoring and performance measurement are the cornerstones of the MBO approach. From yet another perspective, Al Hawari (1999) introduced the important step of formulating an organisational mission and vision. Mention should be made here of the uniqueness of Eckstein's ideas (2009), his model focusing on the goals at key stages of the MBO process: identification and status and validation, implementation, monitoring, and the further analysis of these stages to highlight the principles of management by objectives and the success factors. Additionally, ongoing monitoring is included in the model of Drucker (1954) in preference to a final assessment.

It has also emerged that some researchers have advanced models that are more results-orientated than others, for instance those of Al Hawari (1999) and Weihrich (2000). That of McConkey (1981), in contrast, focuses simply on three steps: preparation, goal setting and evaluation, and these are seen to be equally important stages of MBO. Yaseen's (1998) ideas are different again, since he concentrated on linking the levels of the goals of the organisation, whilst Abdul Alhafeed (2001) focused on linking manager and employee in each step. From the literature review, it was also seen that Odiorne (1987) and Carroll and Tosi (1973) were concerned with administrative level, the level of senior management, as the basis for the application of MBO. However, Hollmann's model (2013) concentrated on effectiveness relationships, which were moderated by managers' need for independence and the type of work performance.

This section discusses in detail eight models from those identified above. This will help to assess and form the conceptual framework in this study.

- **Drucker's model (1954)**

Drucker (1954), considered to be the pioneer of MBO, suggested the following five steps in applying MBO:

i. *Set organisational objectives*: goals and objectives must be: specific, measurable, agreed, realistic, and time-related.

ii. *Cascading objectives down to employees*: the organisation needs to set clear goals and objectives, which then need to cascade down from one organisational level to the next until they reach everyone.

iii. *Encourage participation in goal setting*: managers and employees need to understand how their personal goals fit with the objectives of the organisation.

iv. *Monitor progress*: the monitoring system has to be timely so that issues can be dealt with before they threaten goal achievement. With the cascade effect, no goal is set in isolation, so not meeting targets in one area will affect targets everywhere.

v. *Evaluate and reward performance*: MBO is designed to improve performance at all levels of the organisation. To ensure this happens, a comprehensive evaluation system must be in place and employees should be given feedback on their own goals as well as the organisation's goals.

The cycle is iterative, with a review of the strategic, corporate goals in the light of performance and environmental monitoring. Figure 3.1 presents Drucker's model of MBO.
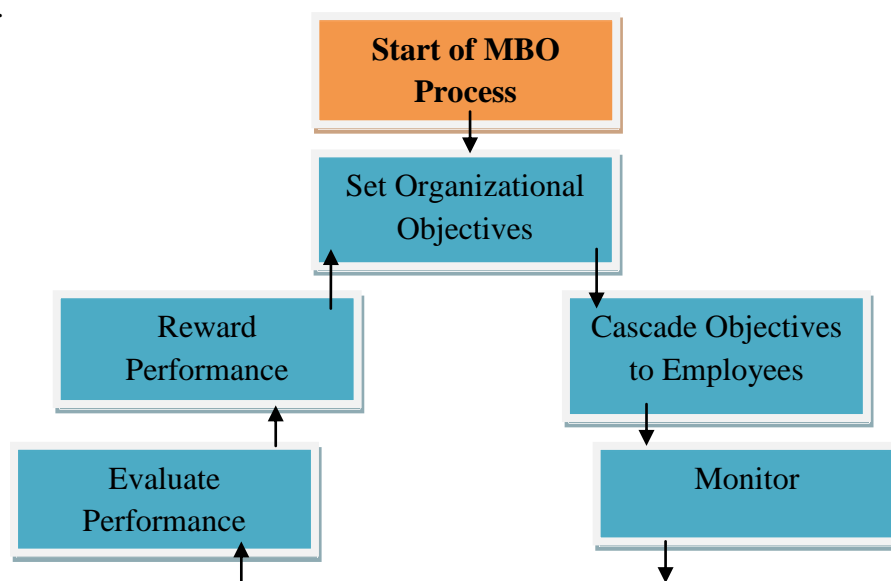
Figure 3.1: Drucker's model of MBO (Source: http://www.mindtools.com/pages/article/newTMM_94.htm)

Drucker's model of setting organisational objectives allows progress to be monitored throughout the organisation. The model is also emphasises communicating results, and evaluating the suitability of the goals that have been set. It ensures that, through the participative process, every person in the organisation will set his or her own goals, which support the overall objectives of the team, which support the objectives of the department, which support the objectives of the business unit, and which support the objectives of the organisation. In the MBO system, employees are self-directed rather than manager-directed. Such independent performance expected from employees requires that management provide them with the tools they need. Goal monitoring and annual performance review, through which management can control performance and demand accountability, are significant. The participative principle must be upheld.

- **Caroll and Tosi's model (1973)**

Caroll and Tosi (1973) based their model on the inter-relationships between different aspects of the management objectives, showing how these relationships influence the process and each other. This model focuses on two aspects. The first concerns individual and work organisation, which is affected by:

o Character and motives of manager and employee, which in turn will affect the way in which these individuals apply the MBO process.

o Characteristics of the work of manager and employee within the organisation. The nature of work requires the employee to participate with the manager in setting goals and implementation.

o The organisational experience of both manager and employee to implement the action plan, and to evaluate.

The second aspect is the involvement of senior management, and concerns the following factors:

o Senior management support for the implementation of MBO.

o The manager is in a position to ensure that obstacles to implementation are removed, and therefore can give greater support to the workforce, which will in turn affect employees' performance in the implementation of MBO.

Figure 3.2 shows Caroll and Tosi's model.
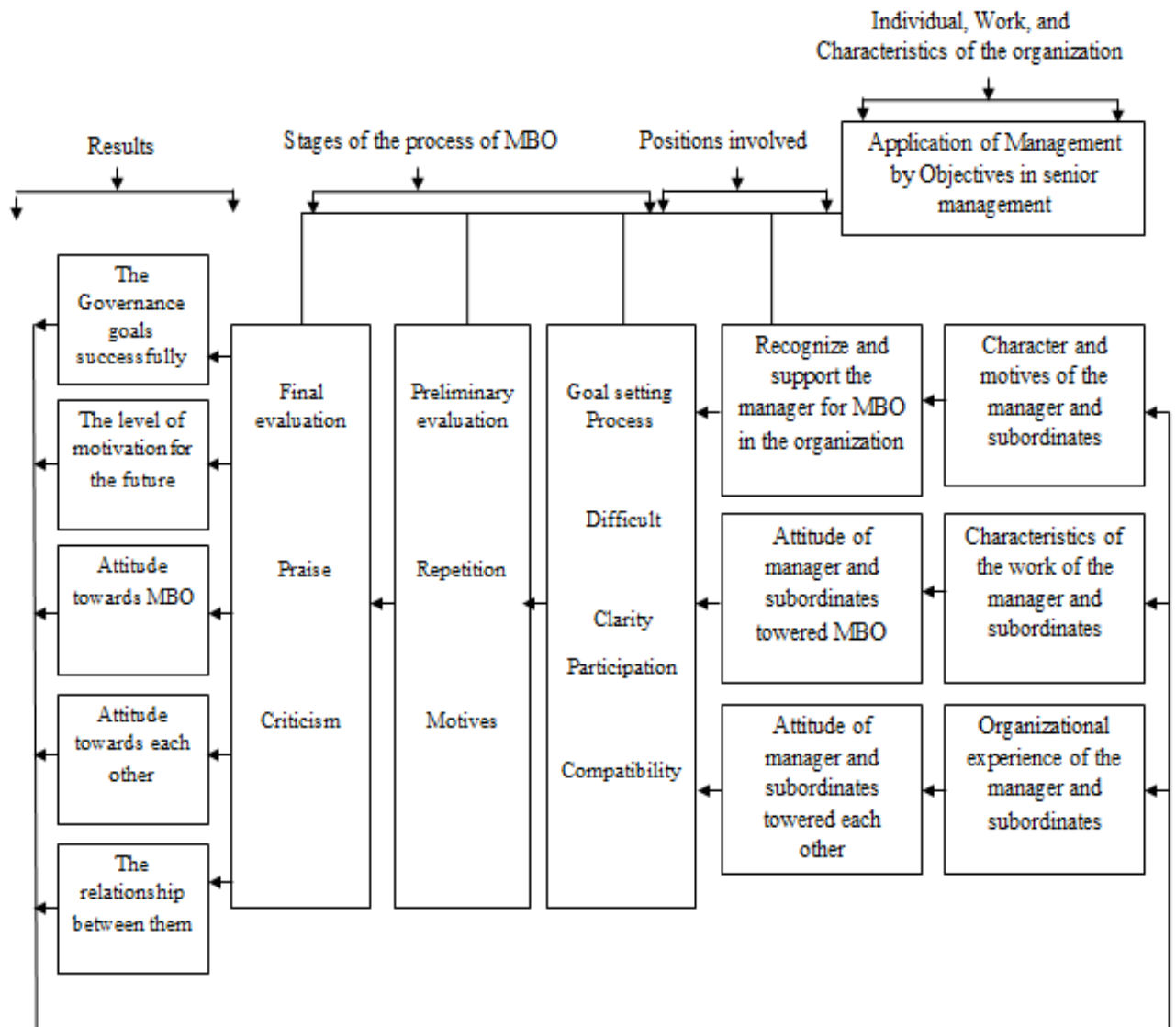
Figure 3.2: Caroll's and Tosi's model of MBO (Source: Caroll and Tosi, 1973:124)

Accordingly, it can be noted that Carroll and Tosi's model addresses a set of MBO principles, recognising that they affect each other in an integrated manner and that good results can ensure that all these principles are positive.

- **Odiorne's model (1987)**

George Odiorne (1987) believed that MBO provides guidance for managers in their operations and in evaluating the contribution of the individual employees within their organisation. In Odiorne's conception of MBO and how to implement it, this model identifies the following key steps:

o Recognise the general goals of the organisation with the identification of measures of organisational performance to these goals.

o Make the necessary adjustments to the organisational structure to suit the new application. This applies whether they are administrative amendments in the form of regulations or operational changes via the introduction of new systems of organisation and delegation of powers.

o The manager to set goals with employees and to identify ways of implementation.

o Mutual agreement between all the employees within the organisation, to complete the goals and objectives of the organisation.

o Provide information about the results in relation to the new input.

o Reconsider and review periodically the results of employees within the organisation compared with targets set in advance.

o Review the performance of the organisation as a whole, in line with the objectives of the organisation and goals of employees.

Figure 3.3 presents Odiorne's model.
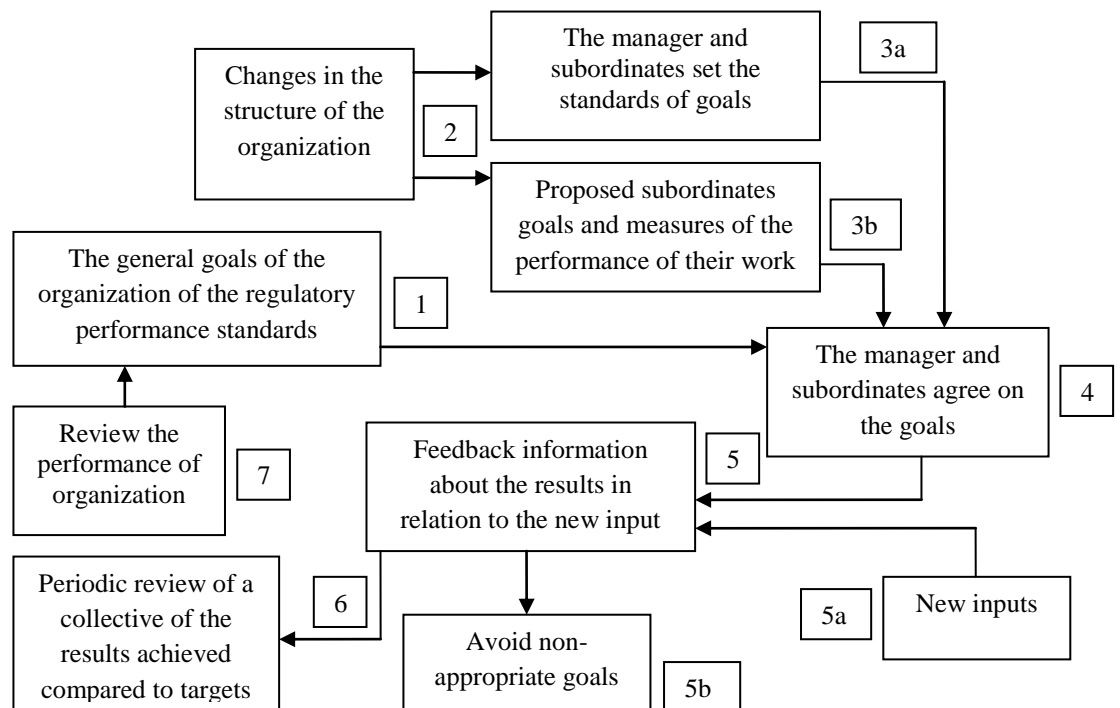
Figure 3.3: Odiorne's model of MBO (Source: Al Shomoki, 1998:129)

Odiorne's model can be considered as a structural one since it stresses the need for the organisational structure to adjust to suit the new form of operation, and it envisages such adjustments to be of different kinds, such as in the form of regulation or in the introduction of new systems of organisation, and delegation of authority.

- **Certo's model (1997)**

Certo (1997) suggested a six-step cyclical model, beginning with a review of the organisation's objectives by the managers, and moving to goal setting for employees. The third stage is the follow-up phase to ensure that performance is as predicted, and the fourth is concerned with assessing the achievements. Certo's model then includes an important stage of providing reward for innovators before progressing to a new phase of work, which completes the cycle. Figure 3.4 illustrates these steps.

Figure 3.4: Certo's model of MBO (Source: Certo, 1997:122)

It seems that Certo's model begins with identifying the goals of managers and the employees who are to achieve them, and then moves on to the manager who provides assistance to the employees in reaching the goals. This is followed by meetings between the manager and employees to review and evaluate what has been achieved.

- **Weihrich's model (2000)**

In 2000, Weihrich suggested the System Approach to MBO (SAMBO). It integrates the well-proven aspects of MBO with new dimensions. SAMBO is a systematic model that connects a set of interdependent components to transform inputs into outputs while sensing, and adjusting to, the external environment. This transformation process comprises seven elements: strategic planning and the hierarchy of objectives, setting objectives, planning for action, implementation of MBO, control and appraisal, sub-systems, and organisational and management development.

Figure 3.5 clarifies Weihrich's model of SAMBO.
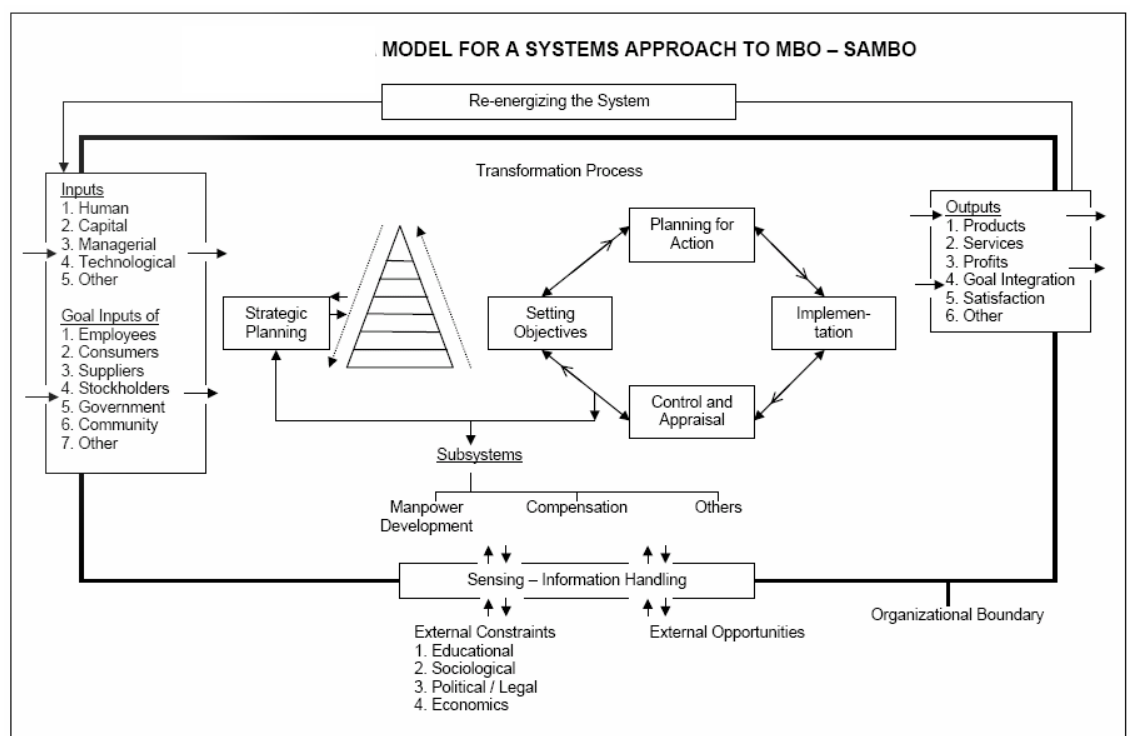
Figure 3.5: Weihrich's model of MBO (Source: Weihrich, 2000)

It is clear that Weihrich's model recognises the interdependence of the organisation and its environment from an open systems perspective. It represents a breakthrough in appraisal, which operates with reference to individual employees' needs. Thereafter, it perceives employees' individual needs as being integrated with those of the organisation, subsequently expanded to include long-range strategic planning.

- **Eckstein's model (2009)**

Eckstein (2009) recognises that implementing MBO may demand cultural change within the organisation. His model suggests that objectives are normally set on a yearly basis and are considered during the annual appraisal of an employee, and it gives the MBO cycle for an operational team as follows:

- o The manager sets the team objectives (objectives that all team members must work towards).

- o The manager meets each team member individually and sets his/her objectives.

- o The manager meets each team member quarterly to assess progress towards the objectives.

- o The individual's performance is appraised after a year against the objectives identified at the start of the process, and a score, which heavily influences promotion or salary increases, is given.

The cycle is repeated but with new or modified objectives. Figure 3.6 describes this model.
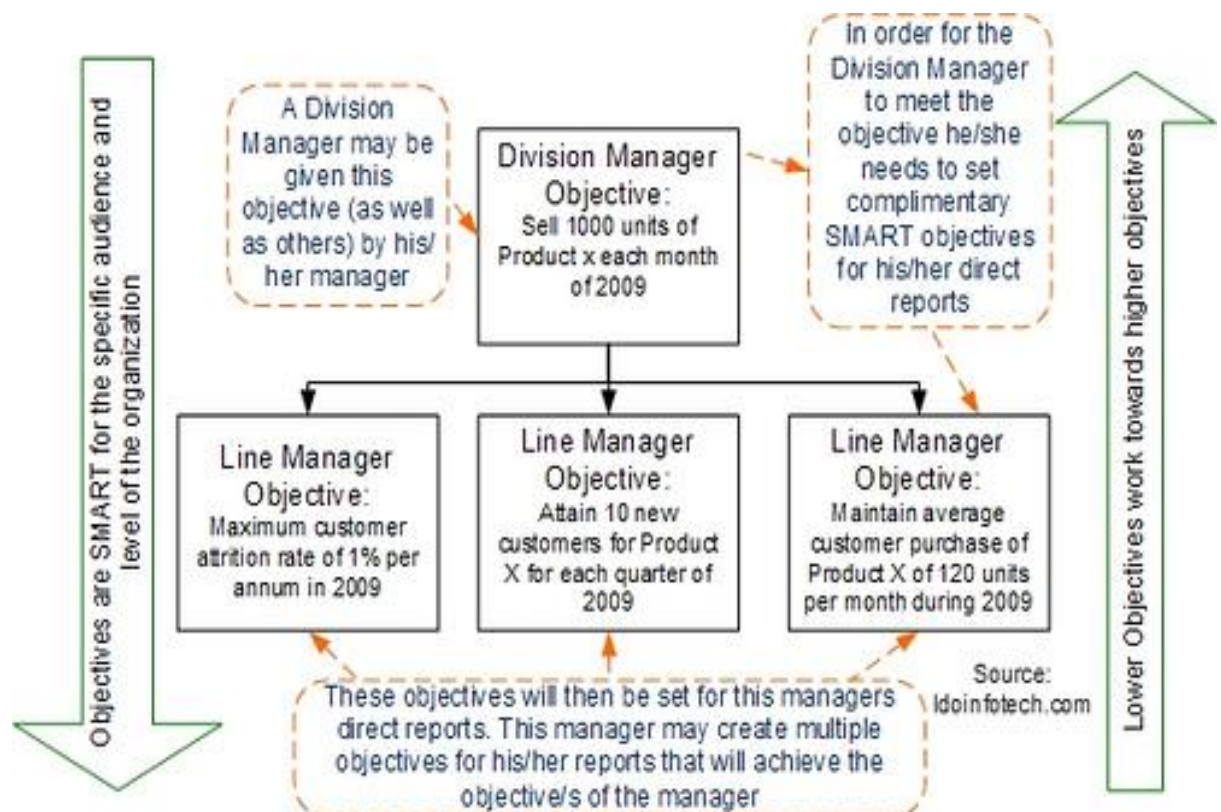
Figure 3.6: Eckstein's model of MBO (Source: Eckstein, 2009)

It is obvious that the objectives in Eckstein's model are set by individual managers for their departments, and complementing the objectives they have themselves been given by their top management.

- **Briscoe's model (2012)**

Briscoe (2012) asserted that when a worthwhile system of MBO is operating in an organisation there is a continuous process of implementation, as follows:

- o Reviewing and restating the organisation's strategic and work plans.

- o Clarifying with each manager the key results and performance standards.

- o Agreeing with each manager a job improvement plan.

- o Providing conditions to achieve the key results and improvement plans by an organisation structure and management control information.

- o Using systematic performance review to measure and discuss progress towards results.

- o Developing management training plans to help each manager to overcome the weaknesses.

- o Strengthening a manager's motivation by effective selection, salary and succession plans.

Figure 3.7 shows Briscoe's model of MBO.

Figure 3.7: Briscoe's model of MBO (Source: Briscoe, 2012)

This model considers managers' development, a matter of vital importance to every organisation. It makes a measurable and realistic contribution to individual units, and to the company's overall plans for better performance. It is also concerned with management control information and motivation, ensuring more effective self-control and better, faster decision-making.

- **Hollmann's model (2013)**

This model consists of a number of the following distinctive steps (Hollmann, 2013):

- o Identification of managers' key areas of job responsibility.
- o Establishment of specific objectives in each key area of responsibility.
- o Periodic review of progress toward objectives.
- o End-of-the-period evaluation of managers' performance on objectives.

This model identified that the managers' assessments of MBO effectiveness were measured in terms of seven MBO effectiveness dimensions.

Figure 3.8 illustrates Hollmann's model.

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┌─────────────────────────────────────────────────────┐
│           Planning and organizing work              │
└─────────────────────────────────────────────────────┘
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┌─────────────────────────────────────────────────────┐
│       Objective method of evaluating work performance │
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                          ⇓
┌─────────────────────────────────────────────────────┐
│          Motivation of the best job performance      │
└─────────────────────────────────────────────────────┘
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┌─────────────────────────────────────────────────────┐
│     Coordination of individual and work group objectives │
└─────────────────────────────────────────────────────┘
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┌─────────────────────────────────────────────────────┐
│      Improvement in manager-employee communication   │
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┌─────────────────────────────────────────────────────┐
│      Improvement in manager-employee cooperation     │
└─────────────────────────────────────────────────────┘
                          ⇓
┌─────────────────────────────────────────────────────┐
│             Overall satisfaction with MBO            │
└─────────────────────────────────────────────────────┘
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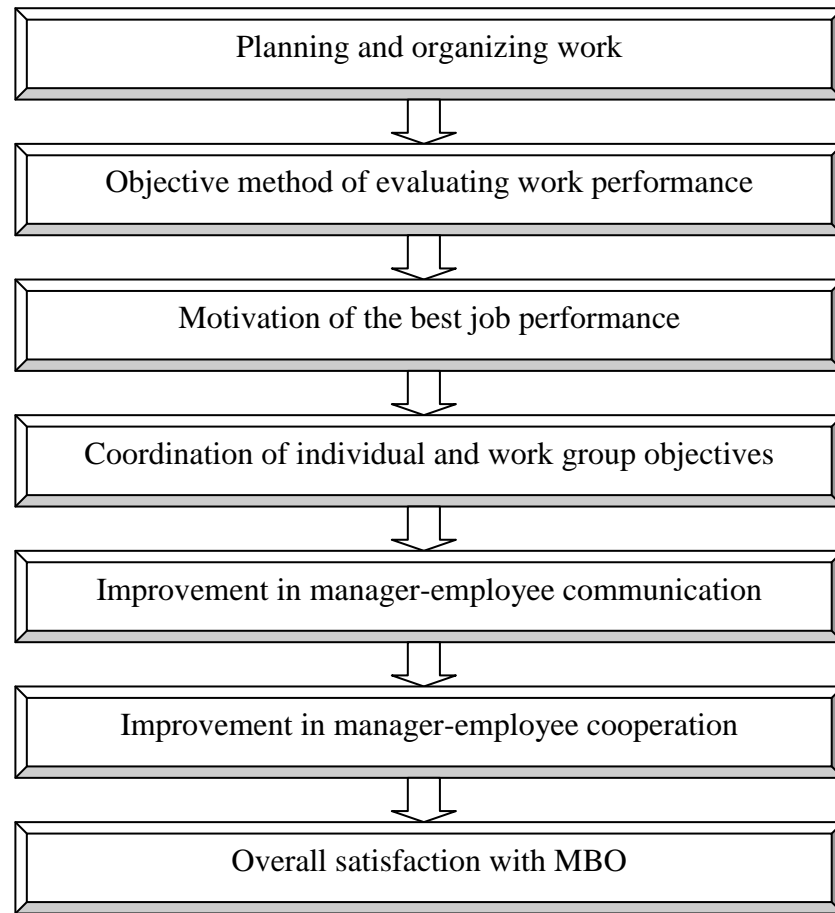
Figure 3.8: Hollmann's model of MBO (Source: Hollmann (2013)

Hollmann's study shows a positive relationship between the supportiveness of the organisational environment in each manager's immediate work group and their assessment of MBO effectiveness.

After consideration of these various models, that represent a gradual evolution of ideas concerning MBO over the last half-century, it can be concluded that all the perspectives place MBO in the realms of a management technique that works on a fundamental premise: the way administrative work and production are best executed is through the continuous setting of goals for the concerned individuals to achieve. This does not mean, however, that the personal goals of the individuals are ignored, because another basic principle of MBO is accepted as being the recognition that the goals of individuals and organisations must be integrated for a successful MBO initiative. This requires that both managers and employees are to be involved in determining the required targets of the organisation; seeking to achieve those targets calls for participation, co-operation,

and the development of team spirit; speed of completion; and accuracy. Therefore, these underlying principles will guide this research in identifying or examining the stages of implementation MBO in the Omani context.

3.3 International implementations of MBO in public and private organisations

Over the past few decades, the applications of MBO around the world have been many, and consequently there is much international experience that can be of value to the current study. As already mentioned in section 2.2, MBO was devised with the private sector in mind, but the wide range of reforms that have been introduced in public sector organisations throughout the world, have also called for new approaches to ensure the achievement of overall goals and aspirations. Hence, there are many instances of MBO implementation in the public sector internationally, and quite specifically in government organisations, which have been forced into work patterns to improve their productivity and efficiency.

In order to benefit from the experiences reported in the literature, the researcher has divided these into two categories: MBO implementations in the public sector and in the private sector. Although this study aims to propose a strategic approach to applying MBO in the government sector in Oman, this section examines MBO implementations in both public and private sectors in order to gain a deeper understanding of MBO implementation. This will contribute to development of the conceptual framework and improve the collection tools for this study.

3.3.1 Implementation of MBO in Public Sector Organisations

- **United States Office of Education**

As early as 1973, a form of MBO was introduced in the field of educational administration in the USA. It was commissioned by the USA Office of Education when Stephen Knezevich developed a management development plan that focused on goal achievement. This development plan concentrated on key points including: the general

objectives of the Office of Education, the objectives of the sections within it, indicators in respect of the achievement of the goals, the time schedule allowed, and the material cost believed necessary to achieve the goals (Knezevich, 1973).

The plan developed by Knezevich (1973) to implement MBO can be summarised as follows:

- Officials at the level of top management to be involved with the department heads to identify indicators to measure the achievement of general and specific objectives.
- Measurement to be made of the cost and time necessary for the implementation of action plans.
- Implementation of action plans and the assignment of duties to officials and department heads with the employees.
- Evaluation of the performance and results.

A consideration of these steps indicated above reveals that the procedure followed the principles of MBO and development in general, and in line with the needs of the organisation. Clearly, it can be seen that the steps outlined embody a mixture of typical theoretical models, namely those of Morrissey and Humble, as described in section 3.2.

- **The Office of the Civil Service of America**

MBO was applied in the Office of the Civil Service of America in the early 1970s, coinciding with the advent of trends in MBO models such as those introduced by Odiorne, Morrissey, Mali, and Caroll and Tosi. Within the MBO developed by the Office of the US Civil Service, several phases were included, these being: the identification of the task or activity, the areas of work, indicators, targets and action plan. Such identification of the key objectives to be accomplished helped the implementation. In addition, other aspects of the model, such as the accurate understanding of the characteristics of work (planning, productivity and staff development), the effective distribution of time, the appreciation of the demands within the public domain, the precise identification of work tasks, and the proper knowledge of the expenses involved, all contributed towards its effective implementation. In addition, the emphasis was on setting goals before developing the action plan, and ensuring complete agreement of the departmental goals with the overall objectives of the organisation (Dhawi, 1995).

It was recognised that a range of benefits accrued to the Office as a result of applying the model. These benefits included the ability to make an objective assessment of performance, the eradication of poor performance, the facilitation of delegation by the task manager (thereby releasing him/her for more important work), the ability to more effectively review the work of the administration, recognition of the achievements made, the satisfaction of the direct interests of managers in respect of improving employee performance, the encouragement of innovative solutions, the accurate identification of priorities and responsibilities in the follow-up to implementation, and the ability to properly apply the principle of partnership between management and employees in the office.

- **Local Government Management in England**

MBO has been applied in local administration in England since 1973, a point which coincided with the emergence of the model proposed by Humble, who can be said to have introduced MBO to England. The Humble model was adopted for local government management in England, as follows (Abdul Wahab, 1984):

o Setting goals in local management, including the overall objectives of management, the objectives of the sections, and the objectives of the workers.

o The development of an action plan, including the working methods of local management, and procedures necessary to implement the goals, according to the human and material capabilities available to the management.

o The periodic review of the implementation of the action plan, and the extent to which the objectives established were being achieved.

o Evaluation of the final achievement, by comparing the results against the targets.

The application of MBO in local government was seen to motivate managers to obtain the desired results, but at the same time it extended the ability of local management by providing a framework enabling the examination and analysis of the administrative process (planning, organisation, motivation and control), the identification of areas of improvement, and ways in which to implement solutions in these areas. At the same time it was decided not to introduce change simply for its own sake, but to challenge the structure, methods and procedures of traditional local authority management, which were recognised as lacking flexibility and no longer valid because of the various technological developments.

It was also found that the application of MBO took into account the requirements of managers and their need for reciprocal relationships, by highlighting the objectives of the local administration, and using these objectives as a vehicle to co-ordinate the activities of managers. Abdul Wahab (1984) confirmed that the managers were seen to be professionally developed, becoming characterised by enthusiasm and insight, the ability to innovate and change, and a willingness to acquire knowledge and skills.

- **Saudi Telecommunications**

The need for an MBO application in Saudi Telecom was acknowledged in 1983, when the company wanted to assess levels of Saudi management in a scientific way with a view to improving the employment of nationals in the organisation in response to the government directive in this respect. At the same time, there was an overall aspiration in Saudi Telecom to move away from the traditional approach to evaluating the success of the various organisational functions, toward a more modern scientific method. Traditionally, there had been no proper planning in the determination of the functional responsibilities in the government sector. Indeed, the process was confused due to the fact that no comprehensive list of indicators was available to measure performance, and it was the Authority's opinion that the application of MBO as a scientific and practical means of job performance evaluation was the optimal way forward, since it would involve the development of standard units held accountable for the performance of the workers (Saudi Telecommunications in the Ministry of Post, Telegraph and Telephone, 1995). In this respect, a representative from the Department of Human Resources within the Department of Workforce Development formulated a model of MBO, namely (Saudi Telecommunications in the Ministry of Post, Telegraph and Telephone, 1995):

o A method for the annual administrative audit committees: a comprehensive approach describes the procedures relating to meetings of committees of the annual management review, which is held in all regions and departments of Saudi Telecommunications once every year to discuss job performance.

o A method of evaluating the administrative effectiveness, a model to evaluate the effectiveness of management, and measures to be followed in the evaluation process.

o A method of planning and review of functionality: this shows the goals and procedures associated with the planning and review function for all Saudi administrative staff.

According to Saudi Telecommunications (1995), this model contains four major steps in the application of MBO:

- o Identifying the major responsibilities of the job and the tasks and duties required for these responsibilities, to clarify the standards relating to each function, and the source of feedback required to determine success. This step aims to provide an opportunity for staff to accommodate the role assigned to them, determine for which activities staff are held accountable, and to confirm the existence of mutual understanding between the directors of departments and their employees, with respect to the responsibilities of staff.

- o Planning and reviewing the process, to provide an opportunity for managers of departments and their staff to work together in planning, follow-up and control. In this respect, attention is given to the best use of time, the best use of available resources, and the effective determination of the roles that staff are required to play.

- o Evaluating the effectiveness of administrative committees through periodic review, aiming to benefit from the experiences of individuals with expertise and knowledge each year. This implies adhering to a unified concept of the performance, management skills and knowledge in respect of administrative staff in each particular calendar year, and considering what is required for the development of their performance, and the advancement of the services they can provide. Such fundamental underpinnings to the annual review increase proficiency in the preparation of the review process, and ultimately the review itself.

- o Identifying development needs and action plans to develop the skills of managers, and ensure that they are trained both on the job and outside work, and that they follow the specific commitments for training.

Figure 3.9 provides an illustration of the Saudi Telecommunications model of MBO.

- Identify key areas of responsibility

- Describe the tasks to be performed

- Determine the standards of performance for each task

- Discussion between manager and subordinates

- Director expectations

- Powers

- Action plans recorded

- Completion dates

Definition of function

Mutual agreement on the goals of job

Action Planning

Review

The preparation of the annual assessment

Review Board

Preparation of development plans

Figure 3.9: Saudi Telecommunications model of MBO (Source: Saudi Telecommunications in the Ministry of Post, Telegraph and Telephone (1995:10)

It can be said that the implementation of MBO in Saudi Telecommunications identified how to demonstrate outstanding 'performance and behaviour' and used that knowledge to manage the work of the organisation. It is clear that this model increased mutual understanding between the directors of departments and their staff in the planning and control of work.

- **The Emirates Establishment for Telecommunications**

The Emirates Telecommunications Corporation Limited adopted an MBO model at its inception in 1976, which aimed to operate, maintain and develop the entire system of public telecommunications in the United Arab Emirates and abroad. The model contains the following steps (Emirates Telecommunications Corporation Limited, 1990):

o   Identification of the establishment's goals

o   Implementation of the plans to achieve the scientific objectives set in advance

o   Continual follow-up of the plans

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- Development of criteria for measuring the productivity of workers

- Evaluation of the final achievement, and the reward of employees of the institution through promotion.

Emirates Telecommunications asserted that its policy in the application of the model led to a lean workforce and functional improvements, the proof being seen in the fact that the numbers of staff since 1980 and even 1990, showed only slight increases below 1%. It is believed that the reason for this is the clarity of goals and the use of modern technologies that are embedded within the MBO model that was applied.

- **Anambra State in Nigeria (2010)**

Wenceslaus (2010) conducted a study to investigate the statements of secondary school teachers on the relevance and expected benefits of MBO to secondary school management in Anambra State in south-eastern Nigeria. A descriptive survey design was used which focused on two research questions and proposed two null hypotheses, with a stratified random sample of 1,159 teachers from secondary schools in the six education zones of Anambra State. It emerged from the findings of the implementation that, irrespective of the education zones from which they came, teachers believed that all the elements of MBO were relevant and could be beneficial in achieving continuous improvement in school management.

Wenceslaus (2010) reported that since the teachers considered MBO to be relevant and beneficial to school management, it was recommended that principals across the six education zones in the state should implement MBO for improved management of their schools. The implementation highlighted the importance of involving those who are to participate in any MBO initiative, since such involvement is likely to engender commitment to the scheme, and increase its chances of success. The implementation suggested that MBO was an effective management tool and could be of value throughout the government sector.

The literature review revealed many researchers who described implementations of MBO in public organisations, including Kyriakopoulos (2012), Al Noah (2011), Krisiansson and Jaderberg (2007), Busch (1998), Poister and Streib (1995), Al Shboul (1995), Dhawi (1995), Vincent (1994), Lee and Carol (1989), Andrzejewski (1988), Robert (1982), Thompson *et al*. (1981), Brady (1986) and Rogers and Hunter (1992).

These studies indicated that MBO in government organisations is implemented through a number of steps, including: the participation of the management with employees in the accurate identification of targets to be achieved, the recognition of the time period to achieve these goals, the development of action plans to achieve them, commitment to full implementation by the management and employees, and follow-up and progress reviews to evaluate performance. The results of these studies revealed that the most important success factors were identified as being good communication with the immediate manager and with individuals in the organisation; clear job objectives; and good communication from top management down through the organisation.

3.3.2 Implementation of MBO in Private Sector Organisations

As discussed in Chapter Two, the concept of MBO began in the private sector and, naturally, the improvements in productivity that the technique was expected to bring served as strong motivation for many companies to implement MBO. Indeed, the philosophy has been implemented in businesses such as General Motors, General Electric, General Foods, Quaker Oats, and others companies of various sizes. Over the years various researchers have explored the outcomes of MBO, and several studies have reported the benefits of applying it. This section considers MBO implementations in private organisations.

- **Twinlock Limited Company**

The introduction of MBO in the Twinlock Limited Company occurred in 1968/69, after the company began to experience certain administrative problems. Being engaged in the manufacturing and marketing of business systems and office equipment, the company applied a model of MBO after ten months of providing training courses for workers. The steps within the model were as follows (Bowey, 1975):

- o The provision of a clear definition of goals in the company.

- o Defining the tasks and responsibilities of all employees in the company.

- o The development of indicators for the results to see the achievement of goals.

- o The establishment of regular meetings between the staff to monitor progress in the implementation of goals, to increase communication between staff and management, and to solve problems facing the implementation.

- Final annual evaluation of the company to consider the extent to which the agreed targets have been achieved.

- Rewarding the employees with higher salaries and promotions.

Bowey (1975) observed that after five years of applying MBO, the company had expanded and doubled its capital and profits. This could be attributed to the fact that the overall assessment of the company provided by MBO had contributed towards providing an environment in which various problems could be explored and resolved.

- **Construction Supply Company**

Antoni (2005) studied the relationship in a company in the construction supply industry between MBO and team performance, to learn how effective MBO was for leaders of self-managing teams. In the study described earlier, 176 employees in 26 teams from a company that had implemented an MBO system five years previously, participated in the study through questionnaires. A model for group goal-setting was tested, in order to explore the mechanisms and effects of MBO at team level. The result confirmed that the MBO system was a powerful tool to develop group efficiency; it also contributed towards increased productivity and job satisfaction, although it was not proved that task interdependence had a moderating effect. Nevertheless, Antoni found that team characteristics play a vital role in achieving stated goals, and hence there is a case for using teams as vehicles to meet organisational objectives.

- **Rosli's study (1990)**

MBO has been compared with various other management approaches to improve operational effectivess, and Rosli (1990) conducted a study in two companies which used different management techniques, in which he focused on the social services provided by those organisations. He compared MBO with Quality Circles, the aim being to clarify the difference between the two management styles. Essentially, he wanted to determine which of the two models, the American MBO philosophy or the Japanese Quality Circle philosophy, was more effective. The two companies used as the research samples were 'Tioga' applying quality circles, and 'Tompkins' applying MBO.

The results indicated that both models had an important role in raising staff motivation and in fostering effective relationships between management and staff. Additionally, there were positive changes in the administrative system, organisation, and communication between workers and management in both companies. Moreover, the study suggests that the model of MBO focused more on the goals than did the Quality Circle approach, and that it motivated managers. The focus of MBO on objectives in terms of clarity, formulation and execution, was considered to have increased employee satisfaction in companies that applied MBO. The study's recommendations included the need to identify the extent of the applicability of MBO in non-commercial organisations, and to consider the extent to which the effectiveness of the management and employees of these organisations was improved by the introduction of the MBO philosophy.

- **Al Masari's study (1983)**

In a study by Al Masari (1983), the aim was to clarify the basic features of MBO in the field of marketing as a way to improve performance in industrial facilities in Egypt. The focus was on identifying obstacles to its use as a planning and control tool and to suggest remedies for these constraints. Additionally, the study aimed to provide an example of the steps that can be scientifically applied in marketing. The researcher undertook a desk-based study which produced a number of results, including the fact that the failure to use MBO in industrial facilities resulted in many problems, mainly the inability to plan in the long term, the production of unrealistic goals, and a failure to develop the business through insufficient staff levels and lack of foresight. The researcher suggested the need for clear senior management objectives, better administration, the development of managers' skills in line with their duties, and action planning to guide the operation. Al Masari's study suggested research on the application of MBO in industrial plants, bearing in mind the potential need to adapt some of its principles to suit the differing conditions of these facilities.

- **Curtin's study (2009)**

Curtin's study proposed a leadership process that could be used in tandem with MBO performance appraisal. Curtin had discovered that the number of Fortune 1000 companies using MBO showed a threefold increase from 27% in 1981 to 79% in 2008, a dramatic rise in the use of MBO in the private sector. He also found that organisations using Behaviourally Anchored Rating Scales (BARS) had doubled from 13% to 26%,

while those using Graphic-rating Scales had declined from 46% to 30%. Interestingly, it was found that subordinates had been asked to rate their supervisors' performance in 11% of the companies. The leadership process suggested by Curtin (2009) emerged after acknowledging that MBO seemed to be fully accepted in the private sector, and that leadership should be modelled on the MBO philosophy.

The literature also identified other successful applications of MBO in private organisations around the world, in studies by Abdullah (2010), and others. In general, these studies identified: increased productivity, clarity of objectives, the efficient use of resources, high morale and satisfaction of employees, greater development and innovation, more effective results, increased commitment and sense of responsibility among workers, active participation between the administration and staff, the development of motivation and aspirations among workers, and effective performance evaluation.

It is clear that there is much support for MBO both in government and private establishments. It is an effective model, and this is what justifies its introduction in this study. The next section will draw on the previous literature review to provide the conceptual framework for this study, for application in the government sector.

3.4 Introduction to the Conceptual Framework

Following the above discussion of MBO principles, success factors, models, international implications, benefits and limitations, the conceptual framework developed for application in the government sector in Oman will be described. This conceptual framework is shown in Table 3.1 below:

Table 3.1: The Conceptual Framework for this Research

Main Criteria of MBO	Sub-Factors
Setting Objectives	➢ Objectives are clear and defined. ➢ Employees participate with management in setting objectives. ➢ Management formulates objectives with employees. ➢ Management and employees specify time limits for accomplishing objectives. ➢ Committed to achieving objectives. ➢ Management with employees reviews objectives.
Action Plan	➢ Management in collaboration with employees outlines a clear work plan. ➢ Management in cooperation with employees determines time limits for each part of the work plan. ➢ Work plans specify methods of achieving the objectives. ➢ Work plans consider psychological and social needs of employees. ➢ Work plans include all responsibilities and duties. ➢ Work plans contain training programs for management and employees.
Organisational Structure	➢ Management outlines regulations that organise work in departments. ➢ Regulations include main and sub responsibilities for management and employees. ➢ Management in collaboration with employees identifies any overlap of work. ➢ Management in teamwork with employees specifies duties that might be delegated. ➢ Management offers opportunities for formal and informal communications. ➢ Management involves specific rules for submitting suggestion and complaints.

Periodic Review	➢ Monitoring the implementation of plan is carried out in the light of expected objectives and outcomes. ➢ Management and employees meet on a regular basis for following up the implementation of work plans. ➢ Management provides all information about work performance for employees. ➢ Management encourages employees to revitalize self-accountability and responsibility. ➢ Management in cooperation with employees analyzes the work – related data for following-up the accomplishment of objectives. ➢ Management considers on broadcasting the spirit of teamwork between employees.
Performance Evaluation	➢ Performance appraisal is to be linked only to the accomplishment of objectives. ➢ Management concern on employees' satisfaction. ➢ Employees participate with management in their performance appraisal. ➢ Performance evaluation lead to determine needs of training. ➢ Management reward employees according to their achievements. ➢ Management acknowledge and appreciate employees' new ideas.

This conceptual framework will be used to assess the implementation of MBO in Oman. It is clear from some of the reports in Oman that the levels of management in the government sector suffer from several challenges, such as the weaknesses in implementation of the recommendations of the Five-Year National Development Plans (Ministry of National Economy, 2010). Furthermore, these reports show that the pattern of government's organisation is dominated by the bureaucratic model, which focuses on the organisation of functions on a hierarchical basis. The management at the highest level sets out rules and instructions, and the rights and duties of its officials.

In addition, there is an absence of clarity about the goals set for the administrators and employees in some departments, and there is a low level of participation by employees in developing the departmental goals. In the government sector, there is also a lack of clarity in respect of the strategic plans of these departments. As Oman is a developing

country, it is important to encourage management and employees to improve how they set goals, determine plans and evaluate performance in the government sector.

Therefore, the conceptual framework for this study will take a strategic approach to applying MBO in the government sector in Oman, to enhance and develop the management style in this sector and help to address the challenges facing management.

3.5 Summary

Undoubtedly MBO, when properly conceived and implemented, has positive outcomes for senior management support; what is required, it seems, is a model that embraces all of the following:

- A linking of the goals of the organisation with those of employees. This implies the genuine participation of workers in the identification and formulation of realistic objectives, and in the evaluation of whether or not they are eventually achieved. Additionally, it implies the commitment of staff to implement the system.

- Action plans at all organisational levels, that: specify the time period appropriate, clarify the methods used to implement them, and indicate the duties and responsibilities of each contributor within the organisation.

- The establishment of regulations governing the functions and responsibilities of workers in these organisations, and a clear channel of communication between employees such that there are many opportunities for contact with one another.

- The provision of information systems related to the performance of employees, specifying a particular method to follow up their performance on a regular basis. In addition, there is a need to develop self-censorship, and encourage a spirit of partnership and teamwork.

- Evaluation of the final performance of employees (and ultimately the organisation) using clear criteria and accurate and objective methods which allow for the measurement of the extent to which individuals have reached the targets assigned to them.

- A clear understanding of the MBO philosophy, and an appreciation of how this differs from other management techniques employed to improve productivity. Some studies show the differences between MBO and the other management styles, and hence can lend more support for the greater effectiveness of MBO than these other management approaches.

Before discussion of the methodology applied in this research, the next chapter provides background about Oman in order to put the case study in context.

CHAPTER FOUR

BACKGROUND TO THE SULTANATE OF OMAN

4.1 Introduction

This chapter introduces Oman in order to provide the detailed context in which the research study takes place and underpin the case study. It offers general background to the location and population of Oman, its language and religion. It considers the sultanate's management strategy, which includes the five-year development plans established to ensure the development of an appropriate management style. This chapter also presents a brief summary of the government sector in Oman. An understanding of the current management strategy will assist development of the conceptual framework in this study.

4.2 Background to Oman

The Sultanate of Oman is an Arab and Islamic state located in the Middle East at the south-eastern corner of the Arabian peninsula, at the junction of the world's two largest continents, Asia and Africa (Ministry of Information, 2010). It is the third largest country in the Arabian Peninsula, Oman thus occupies a strategically important geographical location for international companies, situated on the trade route between Europe, Asia and the Far East and with ready access to the growing markets of the Middle East, Asia and Africa (Trowers and Hamlins, 2007). Figure 4.1 shows Oman's location. The total population of Oman was recorded as 2,773,479 in 2011 (Department of General Census of Population, Housing and Establishment, 2011).
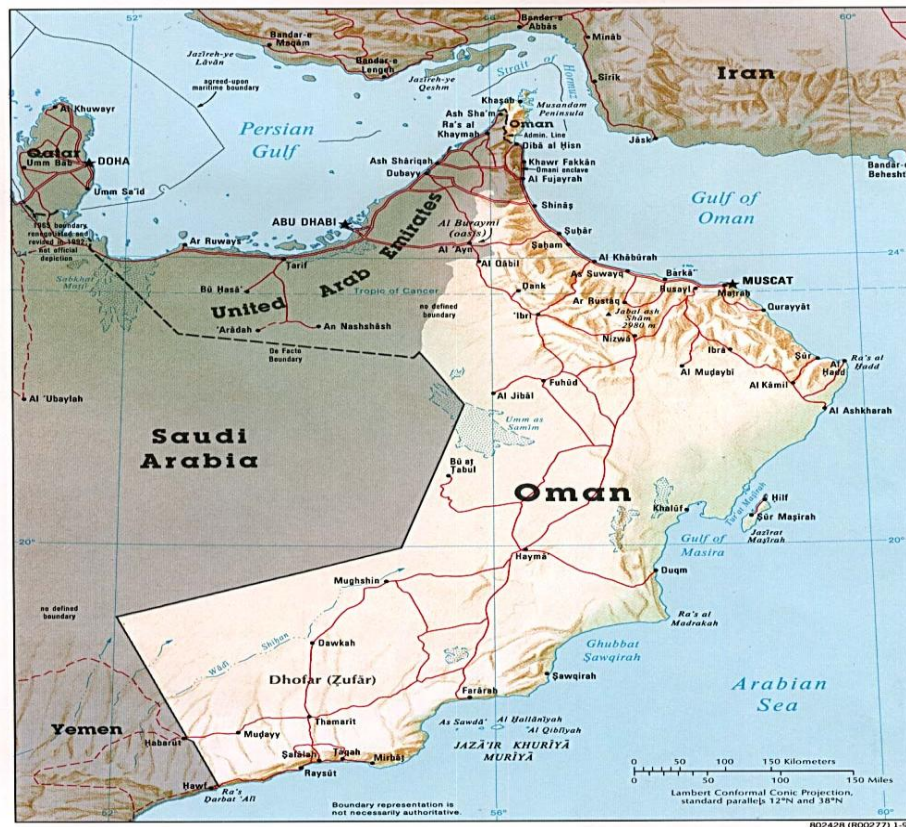
Figure 4.1: Location of Oman (Ministry of National Economy, 2010)

According to the Ministry of Information (2012), Oman is divided administratively into eleven governorates: Muscat, Dhofar, Musandam, Burami, Al Batinah North, Al Batinah South, Al Dakhilya, Al Sharqiya North, Al Sharqiya South, Al Dahirah and Al Wusta, and these governorates consist of sixty-one *Wilayats* (Mandates). Each of the governorates has individual administrative, geographical and economic significance.

As the Ministry of Information explains, "Oman was one of the first countries to embrace Islam during the lifetime of the Prophet Mohamed, and Islam has given Omanis their religious character and provided them with a political and legal system upon which to base the foundations of their society" (Ministry of Information, 2010, 2011). The majority of the population in Oman is Arab, although there are other ethnic elements in the country, including Balushies, Lawatiya or Hyderbadiyin, who come from India; and Zanzibaris, as the Arabs of Oman once lived in Zanzibar and have returned to Oman. Islam became the official religion of Oman, and Islamic jurisprudence is recognised as the basis of the legal system. The Holy Quran is trusted to provide the necessary Islamic principles for the Government and for the conduct of

daily lives. The official language is Arabic, which is the language of the Quran. English is considered the second most important language for the conduct of business and foreign affairs, initially because the relationship and old ties with Britain over many years have given the English language its significance in Oman.

4.3 The Management Strategy in Oman

Oman is an oil-dependent country which needs to diversify its economy; this can best be achieved through a human resource management strategy. The state embarked on a series of high-profile initiatives some years ago, through it programme *Oman 2020 Vision* which covers both the private and public sectors. Findings from several studies reveal that Omanis perceive the civil service laws associated with these developments to have had a far-reaching influence on human resource management in all organisations (Al Nabhani, 2012). These findings suggest that employees in Oman are aware of the efforts being made to achieve the management strategy objectives of *Vision 2020* (Al-Hamadi *et al.,* 2007). The results from a comprehensive study on human resource management conducted in public and private organisations by Al-Hamadi and Budhwar (2006) show that 14% of respondents rated management style as the most important factor influencing human resource management.

The Five-Year Development Plans (1976 to date) have specific objectives, and the Omani government has created a new management strategy to implement the main objectives for improving the country. Consistent with these plans, the key issues of the developing management strategy are as follows (Ministry of Development, 2007):

- The plans concentrate on the objectives associated with the development of national manpower skills.
- The plans address the need for human resource management and development to ensure the Omani people play their full part in the national economy.
- The plans consider the provision of more qualified managers and employees by education and training.
- The plans are improving management style by encouraging and supporting the government and private sectors to employ Omani youth in top and senior management levels.

- The plans have identified a number of long- and short-term objectives and policies including those related to the development of human resources and national manpower.

- The plans focus on reducing the dependence on expatriates at the management level, and improving managers' and employees' productivity in different sectors.

- The plans concentrate on the development of the policies and procedures necessary to achieve the objectives given the available resources.

- The plans confirm the importance of the budget for the implementation of the objectives that concentrate on human resources management and development.

- Within the implementation of the strategy for the development of the future *Vision for Oman's Economy: Oman 2020,* three subsidiary strategies are identified: human resources management and development strategy, the strategy of economic diversification, and the development strategy of the government and private sectors.

- The plans focus on achieving Omanisation through improving human resource management efforts.

- The plans ensure successful progress in the field of management and development, measured both quantitatively and qualitatively.

With respect to improving management styles in the government sector in Oman, the seminar *Management by Objectives and Achieving Results for Senior Management*, deliberated development of the levels of management and promotion of employees' performance (Oman Daily Observer, 2011). At the seminar it was confirmed the Diwan stipulated that training is a right for all employees at all management levels, according to work requirements. It also indicated the nature of administrative work for senior management in terms of planning, organisation, directing and decision making, and for middle management in terms of objectives, taking part in decision making and evaluating performance in the light of MBO.

In 2012 the Ministry of Civil Service organised a seminar on *The Development of Government Performance* (Oman Daily Observer, 2012), which discussed development of the government's performance and to facilitate procedures. Representatives from different state authorities, ministries and public and private sector companies attended the seminar as part of the efforts to improve the performance of government authorities in developing a management style and ensuring better service for citizens. This seminar

focused on three areas: government performance, the human factor and the enablers to develop government performance in the public and private sectors.

The next section summarises the structure of the government or public sector in Oman, the case study chosen for this research.

4.4 The Government Sector in Oman

Oman's geographical position means that it shares responsibility for the Strait of Hormuz, the Gulf's key gateway to Iran, as well as being located on the Indian Ocean, Oman's most important gateway to the world (Ministry of Information, 2011:8). As previously stated, this gives Oman a strategically important location for international companies (Ministry of Information, 2010). Despite this strategic location, economic development in Oman was at a halt until 1970 when Sultan Qaboos bin Said became the leader. Since then, Oman has been transformed from a primitive country into a modern state with a comparatively well developed infrastructure. The administrative system of the State under His Majesty consists of the Diwan of Royal Court, the Ministry of Palace Office, the Cabinet of Ministers and Secretariat of the Cabinet, the Specialised Councils, the Governorates and the Council of Oman (Majlis Oman). There are eleven administrative governorates of 61 districts, governed by a formal representative of the Minister of the Interior.

Two structures encompass the administrative government systems. The first system involves the Ministry of Civil Service and its authorities that are responsible for civil servants and their activities. This ministry governs the complete employment system and functions such as recruitment, selection, job preparation, career development, organisational structures, regulations and work systems in Oman. The second system is Al Diwan of Royal Court, which has responsibility for the selection, employment and development of the employees who work under it, for example, in the General Secretariat to the Cabinet. The researcher has selected the General Secretariat to the Cabinet as the case study for this research.

Despite government support for developing management strategy in the government sector, there are difficulties facing both management and employees, such as the lack of participation in setting and determining objectives, and a lack of teamwork skills. An approach to evaluate the government's performance and to facilitate management procedures is required (Oman Daily Observer, 2011, 2012). MBO might be an

appropriate strategy for developing management performance, helping to increase the participation of employees with management in terms of setting objectives.

4.5 Summary

This chapter has provided the context of the current research study. It introduced Oman by considering its general background, location, geographical size and features, language, religion and basic administrative regions. The Five-Year Development Plans were discussed as the management strategy employed in Oman. It is clear that there is government support for developing this strategy, although some of the government-sponsored seminars indicated obstacles in terms of participation in setting and determining objectives and evaluating the government's performance, and there is a requirement for a new management style.

The next chapter describes and justifies the research methodology. It discusses the research philosophy and provides a brief description of the study settings.

CHAPTER FIVE

RESEARCH METHODOLOGY AND METHODS

5.1 Introduction

The main purpose of this chapter is to discuss research methodology and methods to provide reasoning for selecting the methods for this study, in order to achieve the aim of proposing a strategic approach to applying MBO in the government sector in Oman. In addition, it must meet the objectives of this study, which are: to develop an understanding of MBO principles and theories; to identify their benefits and limitations; to identify the main criteria for developing a conceptual framework in order to apply MBO; to explore the government strategy for developing and managing human resources by investigating the challenges facing management in the government sector; to evaluate the applicability of MBO in the Omani context, refine and validate the conceptual framework and draw up recommendations for applying MBO in the government sector in Oman.

This chapter thus takes several steps towards fulfilling the aim and objectives of this research. First, the concept of research methodology is examined. Secondly, different research philosophies, approaches, strategies and methods of data collection are identified, in order to select the approach that will be adopted for this study. Finally, this chapter illustrates the analysis that will be used in the research.

5.2 Definition of Research Methodology

Research methodology is a key element in any study (Chandler, 2004). It refers to the choice and use of particular strategies and tools for data gathering and analysis. Hussey and Hussey (1997: 54) define methodology as "*the overall approach to the research process, from the theoretical underpinning to the collection and analysis of data*". Berry (1983) agrees: "*research methodology is not just about data collection and the rules for evidence; it is more about the nature of explanation and the means by which explanations are produced*". Fisher (2004) describes research methodology as a study of methods, and raises questions about the researcher's need to know, and the suitability of their knowledge claims. Thus, there is no one universally accepted scientific

methodology, but rather a combination of methodological paradigms which are used to form the methodology of the research undertaken.

Saunders *et al.* (2003) described a Research Process Onion (RPO) with five layers: the outer layer is the research philosophy, the second is the research approach and the third is research strategy, followed by time horizons and finally data collection. RPO is used to establish the research methodology for this study in an appropriate context. In 2009 Saunders *et al*. developed the RPO to contain a layer for research choice, including mono-methods, mixed methods and multi-methods. In accordance with the RPO, the next sections illustrate the research philosophy, approach and strategy, and the data collection methods, as shown in Figure 5.1.
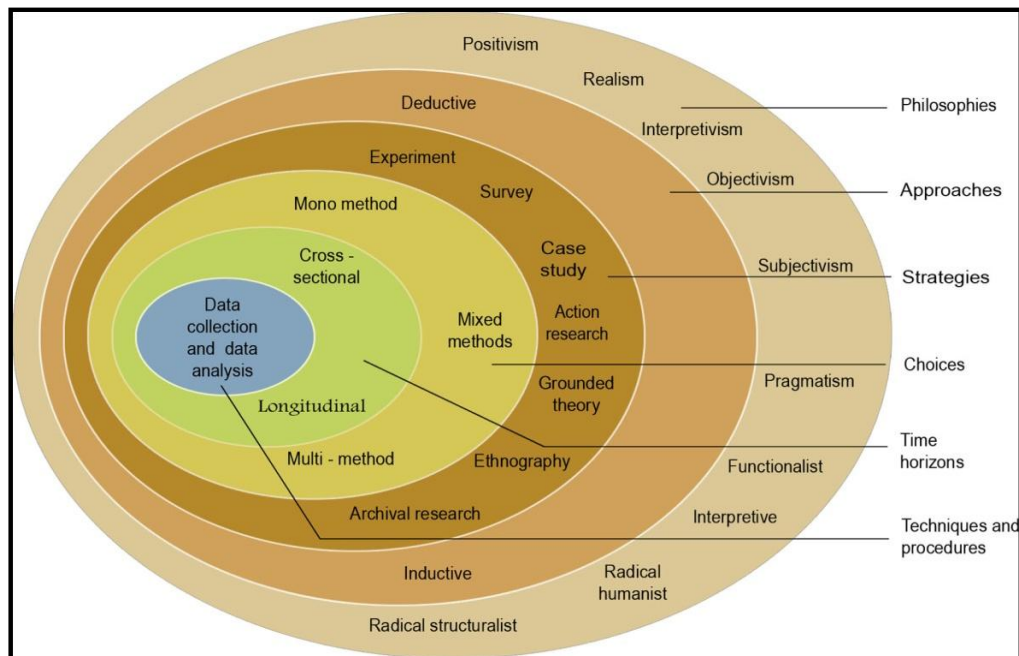
Figure 5.1: Research Process Onion (Saunders *et al*., 2009)

Every methodology is unique and applicable only for its intended purpose; it highlights the steps that researchers should take in order to meet the aims and objectives of the research. The main aim in conducting this research is to propose a strategic approach for applying MBO in the government sector in Oman. In order to satisfy the aim and objectives, the research methodology needs to describe the overall approach used to generate new knowledge, based on the appropriate research philosophy. The next section will justify the research philosophy adopted in this research.

5.3 Research Philosophy

The research philosophy refers to the scientific practice based on assumptions about the world and the nature of knowledge (Collis and Hussey, 2003). It is a paradigm that reflects the way a researcher thinks about the development of knowledge, which in turn influences the way he or she goes about doing the research (Saunders *et al.*, 2007). Guba and Lincoln (1994:107-108) define a paradigm as follows: "*A paradigm may be viewed as a set of basic beliefs ... that deals with ultimate or first principles. It presents a worldview that defines for its holder, the nature of the 'world', the individual's place in it, and its parts ... The beliefs are basic in the sense that they must be accepted simply on faith (however well argued); there is no way to establish their ultimate truthfulness*". Easterby-Smith *et al.* (2004) offer three reasons why it is important for a researcher to understand the value of the philosophical approach. First, the research philosophy elucidates the research design and its methods for collecting and interpreting the data required to answer the questions raised. Secondly, it directs the researcher towards the appropriate design and highlights its potential limitations. Thirdly, it helps researchers to produce new research designs or adapt designs according to the constraints of different subjects or knowledge structures. Two main research philosophies are recognised in the social sciences: interpretivism and positivism (Collis and Hussey, 2009; Easterby-Smith *et al.*, 1991). The following sections present these philosophies.

5.3.1 Interpretive Paradigm

The interpretive paradigm uses a naturalistic approach to understanding humans' experience in context-specific settings (Amaratunga *et al.*, 2002). Interpretivism is the way in which people make sense of the world, especially through sharing their experiences with others via the medium of language (Aouad, 2009). In the same way, Nandhakumar and Jones (1997) described interpretive research as understanding phenomena from the participant's point of view and, which always involves interpretation by both researchers and participants. Creswell (2003) observed a strong link between the design of the study, which is the overall approach used in solving a particular research questions, and the paradigm of scientific inquiry, that is the philosophical basis for the research. Therefore, interpretivists believe that the purpose of sociological analysis is to address how members of society understand their own

actions. Individuals and researchers may or may not experience reality in the same manner, so that multiple interpretations of reality are possible (Neuman, 2003).

5.3.2 Positivism Paradigm

The other research philosophy in the social sciences is the positivist. The positivist paradigm can be described by alternative terms such as quantitative, objectivist, scientific, experimentalist and traditionalist. It claims that the social world is external; properties must be measured by objective methods; the observer is independent; human interests should be irrelevant; explanation must demonstrate causality; the concepts need to be operationalised; research progresses through hypotheses and deductions; and generalisations are made through statistical probability (Easterby-Smith *et al.*, 2004).

Aouad (2009) stressed that the major consideration with positivism is that the social world exists through objective measures, instead of being inferred subjectively through sensation or intuition. Positivism follows traditional scientific approaches to developing knowledge through research strategies, methods and interpreting results. Similarly, Collis and Hussey (2008) pointed out that positivism starts with the belief that the study of human behaviour should be undertaken in the same way as studies in the natural sciences.

Briefly, each of these philosophies relies on different concepts and methods for conducting research. It is therefore necessary to look at the philosophies that will offer the most appropriate research methods to use in the early stages. The interpretivism suggests more qualitative methods such as observation, documentation, interviews and group discussions, while the positivist approach employs deductive, quantitative methods such as surveys and experiments. Based on the characteristics of these philosophies, and owing to the social nature of this research and the need to deal with beliefs, reality, attitudes, experience and aspects of human activity, the researcher adopted interpretivism for this study.

5.4 Research Approach

Research approaches can be divided into the deductive and the inductive. In deductive research, the theory is tested and used to generate empirical work, while in inductive

research the theory is generated through the empirical work. According to Saunders *et al.* (2003), the deductive approach is used to search for causal relationships between variables through deducing hypotheses and generalisation of the theory; but unlike the inductive approach, it would not be particularly concerned with the context of the research. In this sense, quantitative research is deductive in nature; it allows the author to first collect the data, and then generate hypotheses or propositions that can be tested quantitatively (Hussey and Hussey, 1997). In addition, the deductive approach begins with analysing the literature to provide the context for the research, later identifying gaps between the theories or evidence, followed by formulating hypotheses, collection of data and analysis of the findings (Sutrisna, 2009).

The inductive approach, however, is often associated with qualitative research in which the author collects data and develops a theory as a result of data analysis (Saunders *et al.,* 2007). Moreover, Sutrisna (2009) said that because the inductive approach is open to any possible result in addition to the literature review, it is not recommended in the early phases in certain methodologies, for instance grounded theory, as it may influence the stance of the researcher; also, it develops explanations and theories from the interviews and observations of the empirical study. Likewise, Spratt *et al*. (2004: 14) confirmed this classification and they point out that "*Primarily qualitative research seeks to understand and interpret the meaning of situations or events from the perspectives of the people involved and as understood by them. It is generally inductive rather than deductive in its approach, that is, it generates theory from interpretation of the evidence, albeit against a theoretical background*".

It can be seen that both inductive and deductive approaches can be selected for this research, in order to seek understanding and interpret the meaning of situations from the perspectives of the top, middle and lower management and employees in the government sector in Oman.

5.5 Research Strategy

Research strategy is employed to structure the research, to show how all or most of the main parts of the project collaborate to address the research questions. Naoum (2007: 37) defined a research strategy as "a way in which research objectives can be

questioned". Use of a case study strategy has become extremely widespread in social science research. Furthermore, a case study is used if the researcher needs a full and deep understanding of the context; it is a valuable way of exploring existing situations and will enable the researcher to explore real life which can provide powerful insights (Saunders *et al.*, 2007). Therefore, in this particular research, the case study strategy has been selected to obtain the depth of understanding of information necessary to investigate and analyse the realities of the strategy for developing management in the government sector in Oman. According to Oates (2006), case study research provides insight into what occurs in a social setting and may be unique to a certain phenomenon.

The case study technique has been used for many years as a powerful tool in social science research, as the technique illuminates the rich circumstances of reality within a particular data boundary (Sutrisna, 2011). In addition, Sutrisna (2011) pointed out that "one potential problem with this is when attempting to generalise the research findings beyond the context of the studied cases. In this context, the case study as a research strategy was defined by Yin (2009:17) as "*an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident*". Similarly, Jankowicz (2005) pointed out that the benefit of a case study is that it enables comprehensive and useful data to be generated. This view was also held by Gummesson (2006), in that a case study can verifiably achieve full saturation by gathering appropriate data. Beins (2004: 94) proposed another advantage of case study research is that the researcher "*can study people in their complexity and take their specific characteristics into account in trying to understand their behaviour*". He maintains that the main disadvantage is that the results cannot be generalised beyond the person or small group (*ibid*). Oates (2006) argued that a case study concentrates on one example that is to be investigated, such as an organisation or department.

Having selected a case study as the strategy for this research, the question arises as to whether to employ a single case or multiple cases. Yin (2009) observed that the single case can be used to determine whether a theoretical proposition is correct or whether some other set of explanations may be more relevant. Sutrisna (2009) argued that the single case is appropriate when it represents an extreme or unique situation, and it offers greater depth of study. In contrast, a single case study has limitations as to the general scope of any conclusions drawn and could also lead to bias, such as assuming that a single event is representative, or exaggerating readily available data (Voss *et al*., 2002).

Multiple case studies are generally used to replicate findings or support theoretical generalisations (Yin, 2009). Indeed, "multiple case study research increases external validity and guards against observer bias" (Leavy, 1994). Consequently, Yin (2009: 63) suggested that "*criticisms may turn into scepticism about the ability to do empirical work in a single case study. Having multiple cases can begin to blunt such criticisms and scepticism*". He added that the single case study is an appropriate design when the case rationale is called the representative or typical case.

As a result of these discussions, it was determined that the suitable research design for the present study would be a single case for the General Secretariat to the Cabinet as government sector in Oman.

5.5.1 Oman as case study

In this section, the researcher provides brief information about the General Secretariat to the Cabinet in Oman as the case study that has been chosen for this particular research. Because of the relationship in the MBO model between management and employees, this research will focus on the top, middle and lower management, and will also involve employees.

- **The General Secretariat to the Cabinet in Oman**

The General Secretariat to the Cabinet was established in 1978 by Royal Decree number 5/78. The organisational Structure consists of the Office of General Secretary, a number of directorates, departments and sections. The Secretariat has the following tasks (General Secretariat to the Cabinet, 2012):

  o Organise meetings of the Council of Ministers;
  o Distribution of the minutes of the meetings on ministries;
  o Collection of reports issued by the committees of the Council of Ministers;
  o Prepare regular records of the Cabinet's decisions;
  o Prepare meeting agendas for the Cabinet;
  o Prepare other meeting agendas;
  o Supervise the recording of facts and the deliberations of the Council of Ministers at each meeting on audio tapes;
  o Report all-member Cabinet meeting records;

o   Coordinate with various ministries and follow up implementation procedures;

o   Take the necessary procedures for safety of the cabinet files.

In this research, the General Secretariat to the Cabinet in Oman was chosen as a single case study. The Secretariat is located in the capital city of Oman, Muscat. It plays a significant role in implementation recommendations of the Council of Ministers; preparing meetings of the Council of Ministers; and following up the implementation of the measures with the ministries. The Secretariat includes 13 senior and top-level administrators, 20 middle management members, and 24 lower management (General Secretariat to the Cabinet, 2012). It has 91 employees. These employees and the management members are distributed to various departments in the General Secretariat. Table 5.1 shows this distribution.

Table 5.1: Number of top, middle and lower management and employees in the General Secretariat to the Cabinet in Oman

Current position	Total of population
Top management	13
Middle management	20
Lower management	24
Employees	91
Total	148

Source: General Secretariat to the Cabinet (2012)

5.6 Data Collection Methods

There are several data collection techniques that can be used in both quantitative and qualitative approaches. Data collection refers to the method that is used to gather the necessary data required. There are two key methods of collecting data: fieldwork (primary data collection) such as a survey or case study approach; and desk methods

(secondary data collection) such as statistical or descriptive formats; each of the two can be conducted using different sub-methods (Nauom, 2007).

5.6.1 Questionnaire

The questionnaire is one of the most commonly used data collection methods (De Vaus, 1996), especially in association with quantitative research. Its use as a valid means of obtaining information from students and trainees is popular, and increasingly used among researchers, supported by several authorities such as Oates (2006); Fisher (2004); Sekaran (2003); Haselgrove (1994); and Roberts and Higgins (1992). Oates (2006: 219) defined the questionnaire as: "… *a pre-defined set of questions assembled in a pre-determined order*", and Sekaran (2003) as "*a pre-formulated written set of questions to which respondents record their answers*". A questionnaire differs from an interview, as it is a more impersonal probe which respondents answer anonymously without the influence of the researcher (Sekaran, 2003; Frazer and Lawley, 2000). Thus, questionnaires are data-gathering tools used to collect data beyond the physical vision of the researcher in order to explore deep data within attitudes, feelings, experiences, knowledge, and opinions of participants. Sometimes this method is suitable for collecting data when what is required will be measured and known in advance, that is when the survey data are not being used to determine reasons or meanings but to compare responses and results with qualitative analysis to enhance the validity and consistency of responses.

Furthermore, the questionnaire is a powerful tool for data gathering when the researcher appreciates precisely what is needed and how to measure the variables of interest Sekaran (2003) added that many researchers use this technique as it provides flexibility and a wide range of results. Bell, (1999:10) also pointed out that the major benefit of the questionnaire is "to obtain information which can be analysed", as it contains analysis of patterns and possible comparisons. It can be managed in many ways, by mail, in person, or electronically to a wide geographical range, at relatively low cost (Walliman, 2005; Sekaran, 1992). It is important in enabling a reliably large sample which should ensure statistically significant findings (Bell, 1993). According to, Saunders *et al*. (2007) and Oppenheim (1992), other advantages include offering straightforward, quick and efficient data collection from a large sample with little time and cost. However, there are several disadvantages, such as the difficulty of developing and designing a

well-constructed questionnaire that provides accurate data to answer research questions; there is also the problem of a low response rate.

Naoum (1998) warned that the format of the questionnaire is a necessary element, with questions carefully worded and free of mistakes, ambiguity, technical expressions and so forth. Whether open or closed questions are used, as the designer must consider: "*the purpose of the questionnaire; the participant's level of information about the topic in question; the extent to which the topic has been thought through by the respondent and the ease with which respondents can communicate the content of the answer or the extent to which respondents are motivated to communicate on the topic*" (*ibid*: 71). Saunders *et al.* (2007: 364) explained that: "*the internal validity and reliability of the data you collect and the response rates you achieve depend, to a large extent, on the design of your questions, the structure of your questionnaire, and rigour of your pilot testing*".

5.6.2 Interviews

Interviews are a valuable means of collecting information, experience and opinions in case studies; they are especially useful in qualitative research, and can take place over the telephone or face-to-face (Yin, 2009). Henerson *et al.* (1987: 24) explained that an oral interview is "*A face-to-face meeting between two or more people in which the respondent answers questions posed by the interviewer who is free to pursue an interesting response if he/she feels it useful*", while Saunders *et al.* (2007) reported that an interview is a focused conversation between two or more people. The interview method usually permits much greater depth than do the other methods of collecting research data (Borg and Gall, 1983). Furthermore, Best (1981: 164) states that, "*with a skilful interviewer, the interview is often superior to other data-gathering devices. One reason is that people are usually more willing to talk than to write*". Indeed, Sekaran (2003) and Naoum (2007) suggest that interviews can take three forms: unstructured, structured and semi-structured. Table 5.2 defines these interviews types.

Table 5.2: Definitions of Interviews Types

Type of interviews	Definitions
Unstructured interviews	• It is usually conducted to obtain definite ideas about what is and is not important and applicable to a particular problem or situation. • It has open-ended questions with no formal questions listed before meeting the interviewee.
Structured interviews	• It may provide more in depth information about specific variables of interest. Set questions are asked in given order with no option to deviate throughout the interview. • It is conducted when the interviewer knows exactly what information is required.
Semi-structured interview	• It contains questions on a particular topic and general discussion and the researcher can explain clarification of uncertainties and ensure that, so the respondents understand the questions, and their responses are clear to him/her. • It allows a great deal of freedom to explore different areas of research identified during a meeting and to deviate in order to actually establish the interviewee's opinions.

Source: Sekaran (2003) and Naoum (2007)

Furthermore, when using this method in qualitative research, there are many advantages. It is a useful technique if respondents are illiterate or unable to answer a questionnaire; the interviewer can investigate deeper into a response or ask for clarification; and interviews have a higher response rate. There are, however, several limitations. When using a semi-structured face-to-face interview, for example, the interviewer can have an effect on the data if he/she is not consistent; interviews take time and effort and are not useful for a large number of people; and the interviewer may be biased. Table 5.3 summarises these advantages and limitations.

Table 5.3: Advantages and Disadvantages of Semi-Structured Face to Face Interviews

Advantages	Disadvantages
Positive rapport between interviewer and interviewee. Very simple, efficient and practical way of getting data about things that can't be easily observed.	Depends on the skill of the interviewer (the ability to think of questions during the interview, for example) and self-expression of respondent.
High Validity. People are able to talk about something in detail and depth.	Interviewer may give out unconscious signals / cues that guide respondent to give answers expected by interviewer.
Complex questions and issues can be discussed / clarified. The interviewer can probe areas suggested by the respondent's answers, picking-up information that had either not occurred to the interviewer or of which the interviewer had no prior knowledge.	Time Consuming / expensive
Pre-Judgement: Problem of researcher predetermining what will or will not be discussed in the interview is resolved. With few "pre-set questions" involved, the interviewer is not "pre-judging" what is and is not important information.	Not very reliable - difficult to exactly repeat a focused interview. Respondents may be asked different questions (non-standardised). Samples tend to be small.
Easy to record interview (video / audio tapes).	Depth of qualitative information may be difficult to analyse.
Convenient for the respondent; extensive probing can be used to collect detailed information; respondents body language can guide the interviewer and be recorded to help interpret comments.	Personal nature of interview may make findings difficult to generalise (respondents may effectively be answering different questions).

Source: Muise and Olson (2011: 3); British Organisation of Sociological Research Skills (2011: 1)

The semi-structured interview is selected as a suitable method for this research, and this choice is supported by researchers such as Jankowicz (2005), Yates (2004), Sekaran (2003), Oppenheim (2000) and Hakim (2000) who believe that interviews can help researchers to understand people's attitudes and activities, allowing them to explain the purpose of the study and to make clear any doubt.

In this research, there is a need for in-depth understanding and detailed information, and for this reason triangulated data collection will be used; this adds methodological knowledge to the research and allows different methods to complement each other. Each of the different methods, questionnaires and semi-structured interviews, will help to explore the possibility of applying MBO in the government sector in Oman and investigate the challenges that might prevent the application of this model from the perspective of top, middle, lower management and employees. Figure 5.2 shows the triangulation of data collection methods in this research.
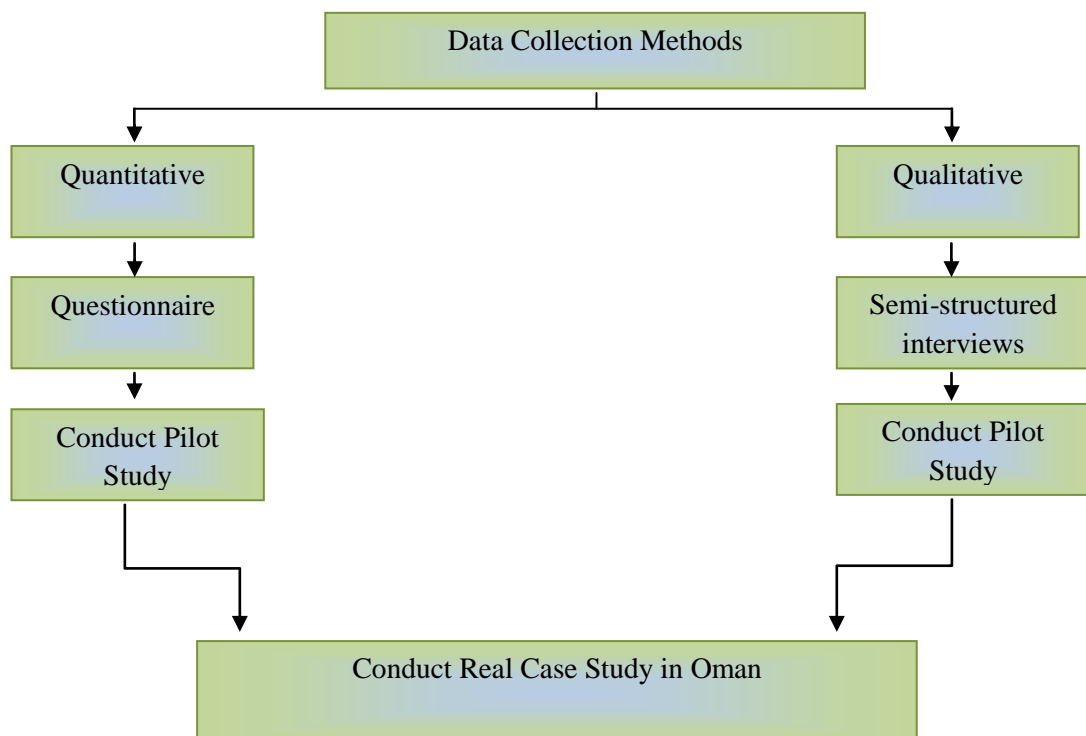
Figure 5.2: Triangulation of Data Collection Methods in this research

The questionnaire in this study will focus on collection of data to identify the main criteria for developing a conceptual framework in order to apply MBO, and to evaluate the applicability of MBO in the context of the Omani government sector. The questionnaire, which is shown in full in Appendix A, includes five criteria of MBO:

1. Setting Objectives (6 statements);
2. Action Plan (6 statements);
3. Organisational Structure (6 statements);
4. Periodic Review (6 statements);
5. Performance Evaluation (6 statements).

The reason for selecting a questionnaire technique is to gather a wide range of views from participants relating to their perceptions and views on certain MBO issues. Another benefit is to cover a large number of the population. This technique is suitable for collecting data to compare between responses and to compare results with the qualitative analysis to enhance the validity and consistency of responses.

Secondly, this study will use face-to-face semi-structured interviews to explore the government strategy for developing management style by investigating the challenges facing top, middle and lower management and employees in the government sector in Oman. Appendix (B) shows the interview questions.

5.7 Sample Size

In any research project, selecting a sample is an important step since it is rarely practical, efficient or ethical to study whole populations. To draw a representative sample from the population is the aim of all quantitative sampling approaches, so that the results can then be generalised back to the population. The population is defined as a random sample when all members have an equal chance of selection. Variants include stratified random sampling and area sampling, allowing sub-groups to be studied in greater detail (Marshall, 1996).

This research uses stratified sampling for distributed the questionnaire by selecting independent samples from a number of management and employees. In addition, a suitable sample was used for the qualitative part of this research, as it is the most convenient technique; as the most accessible subjects are selected, it is the least costly to the researcher, in terms of time, effort and money (Marshall, 1996).

5.8 Data analysis

As mentioned earlier, the mixed methods that will be used are semi-structured face-to-face interviews and questionnaires. After gathering the data from the stakeholders in Oman, data analysis will enable the researcher to examine the collected information and to prepare conclusions based on it. Yin (1994) recommended researchers to confirm that the analysis is based on appropriate evidence; they should deal with the most significant characteristics of the case studies, make every effort to ensure analysis of the highest quality by using expert guidance and offer the best explanation consistent with the interpretation of the steps of analysis.

According to Saunders *et al*. (2007), Bryman (2004) and Robson (2002), there is no fixed rule or standardised approach in analysing qualitative data, no clear and acceptable set of conventions. Bryman (2004) also stated that the main difficulty could be the large amount of information that emerges after data collection; therefore the researcher must be guided in carrying out accurate analysis. Saunders *et al.* (2007) explained that qualitative analysis usually involves the development of data categories. In other words, the researcher should determine suitable categories into which to divide the original data to. This involves identifying relationships within and between sets of data and developing propositions to create well-grounded conclusions.

To analyse the qualitative data in this particular study, the researcher will use thematic analysis as it offers a useful and flexible approach to analysing and producing rich and detailed qualitative data (Braun and Clarke, 2006). Braun and Clarke (2006) propose six main phases for analysing data through the thematic method. First, is data familiarisation, which involves transcribing data, reading and re-reading, and making notes. Secondly, initial codes are generated and the data relevant to each code collated. Thirdly, themes must be found and codes created to suit each theme. Fourthly, these themes are reviewed so that a thematic map of the analysis can be generated and finally, the themes are given names. A report is then produced that is linked to the research questions and literature.

The quantitative data will be analysed using SPSS software. SPSS is commonly used in quantitative analysis and the researcher has undergone a training course in using in its use.

5.9 Summary

This chapter described the research methodology employed for this study. Interpretivism was chosen as the research philosophy, as it deals with beliefs, reality, attitudes, experience and aspects of human activity, in order to achieve the aim and objectives of this study. The case study approach has been highlighted as an appropriate strategy for the research. It is involves both qualitative and quantitative approaches, using semi-structured interviews and questionnaire respectively as the data collection tools. For analysis of the data, this study uses the thematic method for the qualitative material and SPSS for the quantitative data. The following chapter presents the results of the interviews and questionnaires.

CHAPTER SIX

RESEARCH FINDINGS AND ANALYSIS

6.1 Introduction

This chapter consists of the analysis and interpretation of the data collected for this study. As outlined in the methodology chapter, the findings resulted from different sources of evidence, all of which were used in order to achieve the research aim and objectives. The chapter examines the first source of data from the questionnaire which was administered to top, middle and lower management and employees, in order to explore the possibility of applying MBO in the General Secretariat to the Cabinet in Oman. The second source emerges from the face-to-face semi-structured interviews which were used to investigate the challenges that might prevent the application of MBO from the perspective of top and middle management and employees, in the General Secretariat to the Cabinet in Oman.

6.2 Quantitative Data

This study uses data from the questionnaire to explore the possibility of applying the model of MBO in the General Secretariat to the Cabinet in Oman (objective 3 of this research). The Statistical Package for the Social Sciences (SPSS version 16) was utilised to analyse the data from the questionnaire. Frequencies and percentages were used.

6.2.1 Profile of the participants in the questionnaire

This section describes the characteristics of the respondents. It analyses the responses to Section One of the questionnaire that is questions 1 to 6. The aim of this section is to explore the participants' positions, age, gender, qualifications, and work experiences.

A. Distribution of Participants' Positions

The questionnaires were carried out in August and September 2012 in the Sultanate of Oman. Table 6.1 shows that the researcher collected the data from 110 participants; 11 of them are top management, 17 are middle management, 20 are lower management and 62 are employees. Chapter Five shows the number of population of this study (see Table 5.1).

Table 6.1: Distribution of respondents with regard to position

	Position	Frequency	Percent
Valid:	top management	11	9
	middle management	17	13
	lower management	20	15
	Employee	62	48
	Total	**110**	**85**
Missing System		20	15
Total		130	100

Although 130 copies of the questionnaire were distributed, the number returned completed was 110; this makes an overall response rate of 85%, which is regarded as very good in comparison with average rates obtained in England and most other western countries (Meier, 1991).

B. Participants' Age Distribution

Table 6.2 shows the ages of the respondents. The majority of the sample (48%) was from the group of 37 years and over. Also, the findings reveal that the smallest age category was 25 years and under, which accounted for 14% of the respondents.

Table 6.2: Distribution of respondents with regard to age groups

Age	Frequency	Percent
25 years and under	15	14
26-36 years	42	38
37 years and over	53	48
Total	110	100

It is noted that 38% were between 26 and 36 years. It is clear that most of the sample is from the employee group.

C. Distribution of Participants' Gender

Table 6.3 shows the gender of participants, indicating an uneven distribution of the sample. One can observe the high representation of males, 96%, and the note the corresponding low representation of females, 34% in the sample, because most of the population in the General Secretariat to the Cabinet in Oman is male.

Table 6.3: Distribution of respondents with regard to gender

Gender	Frequency	Percent
Male	106	96
Female	4	4
Total	110	100

From this table, it is clear that the females are within the employees' group.

D. Distribution of Participants' Qualifications

Table 6.4 describes the responses of participants with regard to their qualifications. The findings show that the largest group of participants, 38%, has a Bachelor degree and that only 7% have a Master degree and above.

Table 6.4: Distribution of respondents with regard to qualifications

Qualification	Frequency	Percent
Secondary or less	32	29
Diploma after Secondary	28	26
Bachelor	42	38
Master and above	8	7
Total	110	100

As can be seen from this table, the whole sample of top management have Bachelor degrees or Master and above, whilst the other groups of middle management, lower management and employees have the lower qualifications.

E. Distribution of Participants' Work Experience

The data in Table 6.5 presents the participants' work experience. The results show that 62% of the respondents have more than 10 years' experience in work.

Table 6.5: Distribution of respondents with regard to experience

Experience	Frequency	Percent
5 years and less	23	21
6-10 years	19	17
more than 10 years	68	62
Total	110	100

The results indicate that all the top management participants and most of the middle and lower management and employees have more than 10 years' experience.

6.2.2 Findings from the section two of the questionnaire

This part analyses the responses of Section Two in the questionnaire in which the question posed to the respondents was closed: *Q. What is the possibility of applying a model of Management by Objectives from the perspectives of top, middle and lower management and employees in the General Secretariat to the Cabinet in Oman?*. This part of the data analysis focuses on exploring the possibility of applying the model of MBO in the General Secretariat to the Cabinet in Oman. A group of positive statements was prepared relating to each of the proposed MBO principles (themes):

A. Setting Objectives (6 statements)
B. Action Plan (6 statements)
C. Organisational Structure (6 statements)
D. Periodic Review (6 statements)
E. Performance Evaluation (6 statements)

The questionnaire used closed statements to limit respondents to selecting one item among five (most applicable, applicable, moderately applicable, fairly applicable and not applicable) recorded on the Likert scale. Statistics were rounded up, for the purpose

of analysing mean values; the means of the views of the four groups are represented using the following scheme: from 0.00 to 1.00 = not applicable, from 1.01 to 2.00 = fairly applicable, from 2.01 to 3.00 = moderately applicable, from 3.01 to 4.00 = applicable and from 4.01 to 5.00 = most applicable.

The findings are presented in tables containing several statements grouped together to test respondents' views on each of the five themes of the questionnaire in order. These themes are based on the principles of MBO that was proposed in Chapter Two. The results shown in Tables 6.6 to 6.10 indicate the statements of each principle and the frequencies (percentages) for each statement. These tables also present the rank order according to mean rating for the agreement with each statement in every principle. It is clear from the tables that there is a common agreement on the importance of the principles of MBO; most participants from the top, middle, lower management and employees groups saw these as desirable principles on which to base leadership and management practice. Generally, this agreement could provide a basis for MBO implementation.

A. Setting Objectives

Table 6.6 lists the six statements that were grouped to explore the attitudes of the four groups of respondents regarding the first principle "setting objectives". The table reports the frequencies, the percentage of the frequencies, the means for the six statements and the rank, to show the strength of the agreement with each statement. It was clear that participants' attitudes towards the principles of MBO were generally positive. The participants agreed that statement 1 was a mostly applicable aspect of MBO: "The objectives of the government sector must be clear and defined to the top management and the employees "; similarly with statement 2: "The employees must participate with the management in articulating and setting the objectives".

Table 6.6: Principle One: Setting Objectives

No.	Statements	Mean	Standard Deviation	Rank
1	The objectives of the government sector must be clear and defined to the top management and the employees	4.05	.828	1
2	The employees must participate with the management in articulating and setting the objectives	4.04	.834	2
3	The management should formulate the objectives with the employees accurately, precisely and measurably	3.85	1.006	4
4	The management and employees should specify time limits for accomplishing the objectives	3.65	1.104	5
5	The employees in cooperation with the management should be committed to achieving the agreed-upon objectives	3.87	1.006	3
6	The management with employees should regularly (annually for example) review the objectives in the light of market requirement	3.45	1.122	6

On the other hand, the remaining four statements, in which the arithmetic means between them were comparable, were ranked by the respondents as applicable steps in the implementation of MBO in the General Secretariat to the Cabinet in Oman.

B. Action (Work) Plans

Table 6.7 lists the six statements that were grouped to explore the perspectives of the four groups of respondents regarding "action plans", and reports the means of respondents in the sample regarding this matter and the rank order. Table 6.7 dealing with the six statements of the second principle, shows that the first and sixth statements, "The plan contains training programmes for the management and employees" and "The management in cooperation with employees determines time limits for each part of the work plan" were the highest rated statements. What is also interesting about the mean in this principle, which related to action plans, is that all the statements received quite a

high percentage of results applicable to implementing MBO in the General Secretariat to the Cabinet.

Table 6.7: Principle Two: Action Plan

No.	Statements	Mean	Standard Deviation	Rank
1	The management in collaboration with the employees outlines a clear work plan.	3.65	1.053	3
2	The management in cooperation with employees determines time limits for each part of the work plan	3.65	.990	2
3	The plan must specify the methods of achieving the objectives and consider the financial, social and environmental factors that help its success	3.35	.830	6
4	In designing the plan, the management must consider the psychological and social needs of the employees	3.45	1.097	4
5	The plan depends on clear and accurate data and it includes all duties expected to be carried out by the employees	3.43	1.088	5
6	The plan contains training programmes for the management and employees	3.69	.993	1

C. Organisational Structure

Table 6.8 shows the six statements that were grouped to explore the views of the four groups of respondents regarding "Organisational Structure", and reports the means of respondents in the sample regarding this matter and the rank order. It can be observed from Table 6.8 that there is general agreement on the third principle of MBO. All the participants, top, middle and lower management, and the employees, agreed with this principle of MBO that the management in teamwork with employees should specify

duties that might be delegated and the management should outline regulations to organise the work in different departments. The findings show that all the statements got high means for applicability, between 3.90 and 3.76. This might be a result of their feelings of the need for developing the work regulations, identifying overlap in assignments, providing opportunities for formal and informal communications, and providing systems for involving specific rules for submitting suggestion and complaints.

Table 6.8: Principle Three: Organisational Structure

No.	Statements	Mean	Standard Deviation	Rank
1	The management outlines regulations that organise work in departments	3.88	.993	2
2	The regulations should include the main and sub-responsibilities for the management and employees	3.78	.923	5
3	The management in collaboration with employees should identify any overlap of duties	3.79	.959	4
4	The management in teamwork with employees should specify duties that might be delegated	3.90	1.013	1
5	The management provides opportunities for formal and informal communications	3.76	1.327	6
6	The management provides systems involving specific rules for submitting suggestions and complaints	3.86	1.169	3

D. Periodic Review

Table 6.9 gives the six statements that were grouped to explore the views of the four groups of respondents regarding "Periodic Review", and reports the means of respondents in the sample regarding this matter and the rank order. It shows a high percentage of agreement influencing responses in relation to all the statements within

this principle. It is noticeable also that there is no single response towards not applicable, fairly applicable or moderately applicable for the MBO model in this theme. The results show that all the statements' means are high and over 3.5. From these findings, it can be argued that all steps associated with this principle can be applied at the General Secretariat to the Cabinet in Oman from the perspective of the study sample.

Table 6.9: Principle Four: Periodic Review

No.	Statements	Mean	Standard Deviation	Rank
1	Monitoring the implementation of the plan is carried out in the light of expected objectives and outcomes	3.76	1.327	5
2	The management and employees must meet on a regular basis for following up the implementation of the plan	3.79	1.126	3
3	The management provides all information about their performance for employees	3.84	1.162	1
4	The management encourages employees to revitalise self-accountability and responsibility	3.75	3.020	4
5	The management in cooperation with employees analyses the work-related data for following up the accomplishment of objectives	3.60	1.068	6
6	The management considers broadcasting the spirit of partnership and teamwork between the employees	3.82	1.102	2

E. Performance Evaluation

Table 6.10 shows the six statements that were grouped to explore the views of the four groups of respondents regarding "Performance Evaluation", and reports the means of

respondents in the sample regarding this matter and the rank order. It reports the frequencies, the percentage of the frequencies, the means for the six statements included and the rank, to show the strength of the agreement with each statement. It was obvious that participants' perspectives towards the principles of MBO were mainly positive. The respondents agreed that mostly applicable was the appropriate answer with statement 3: "The employees should participate with management in their performance appraisal". From participants' perspectives, the findings indicate that all the statements' means are high, between 3.94 and 3.27. From these findings, it can be seen that all steps associated with performance evaluation as the fifth principle of MBO can be applied at the General Secretariat to the Cabinet in Oman.

Table 6.10: Principle Five: Performance Evaluation

No.	Statements	Mean	Standard Deviation	Rank
1	Performance appraisal is to be linked only to the accomplishment of objectives	3.60	1.102	2
2	The management should care about employees' satisfaction regarding the work outcomes	3.27	1.040	6
3	The employees should participate with management in their performance appraisal	3.94	1.007	1
4	The performance evaluation leads to determining the needs of rehabilitation and training for the employees	3.29	1.035	5
5	The management rewards employees according to their achievements	3.39	1.067	4
6	The management acknowledges and appreciates the employees' new ideas that help to improve performance	3.42	.990	3

6.3 Qualitative Data

This study also uses the face-to-face, semi-structured interview method for investigating the challenges that might prevent the application of MBO from the perspectives of top and middle management in the General Secretariat to the Cabinet in Oman (objective 4 in the study):

6.3.1 Profile of the participants in interviews

The researcher interviewed 10 participants of the top and middle management (consultants, general directors and directors) and employees in the General Secretariat to the Cabinet in Oman in the individual semi-structured interviews; for more details see Table 6.11. The interviews were carried out between August and September 2012 in the Sultanate of Oman. Each interview took between 45 and 60 minutes and the researcher transcribed the interviews by hand. The interviews were in Arabic and the researcher's translation attempts to present the same sense of the interviewees' meaning. All interviews were conducted on site at the General Secretariat to the Cabinet in Oman, which allowed the researcher to access appropriate documents.

Table 6.11: Number of interviewees in semi-structured face-to-face interviews

Current position	Age	Gender	Nationality	Qualification	Experience in years
Top management 1	42	Male	Omani	Master Degree	21
Top management 2	43	Male	Omani	Master Degree	27
Top management 3	45	Male	Omani	Bachelor Degree	19
Middle management 1	48	Male	Omani	Secondary school	25
Middle management 2	32	Male	Omani	Diploma	14
Middle management 3	39	Male	Omani	Diploma	12
Middle management 4	43	Male	Omani	Bachelor Degree	17
Employee 1	47	Female	Omani	Master	25
Employee 2	27	Male	Omani	Bachelor Degree	9
Employee 3	34	Male	Omani	Diploma	12

The ten participants were Omani and their ages ranged from 27 to 48 years. Most of them were working in the General Secretariat to the Cabinet in Oman as top and middle management members (consultants, general directors and directors). A few were employees in different departments in the General Secretariat. Most of them were male and only one was female. All of them have qualifications in different areas and they have from 7 to 27 years of work experience.

6.3.2 Finding from the interviews

The questions posed to the interviewees were open ended:

Q1. From your perspective, what are the challenges that face the management and employees which are related to the objectives? Explain your answer"

Q2. From your view, what are the challenges that face the management and employees which are related to the work plans?

Q3. In your opinion, what are the challenges that face the management and employees which are related to the organisational structure?

Q4. What are the challenges that face the management and employees which are related to the periodic review?

Q5. What are the challenges that face the management and employees which are related to the performance evaluation?.

This part of the data analysis focuses on the top and middle management and employees' views and their answers to those questions that related to the challenges that might prevent the application of MBO from their perspective in the General Secretariat to the Cabinet in Oman.

Therefore, to achieve the objective of investigating these challenges, the researcher interviewed 10 participants from the top and middle management and employees. This sample was selected randomly. To analyse the findings, the researcher used the method of calculating the percentage of frequency of the words and ranks on every one of the challenges facing the implementation of MBO. In addition, the researcher considered challenges as high if the percentages of repeated challenge were 80% or more, the challenges as average if they were between 79% and 50%, and the challenges as low if the recurrence rate was less than 50%. The following questions are answered from the perspective of top management.

Q1.   What are the challenges related to objectives that face management and employees?

This section concentrates on finding out the answers to the question which asks for the views of the top and middle management and employees on the challenges that face the management and employees as related to the objectives. The results indicated that all of the participants agreed that the main challenge is the lack of clarity of the goals in the different departments and sections. In addition, it is clear from Table 6.12 that the majority of the interviewees (80%-90%) emphasised that the difficulty of determining the general goals and the sub-goals, lack of the necessary information for identifying the departments' targets and centralisation in determining the goals by the highest authority

are important challenges that could prevent the application of MBO from their perspectives in the General Secretariat to the Cabinet in Oman. However, the fifth challenge, which is related to the lack of training for employees to formulate goals, received an average percentage as a challenge. This understanding was confirmed by one of the top management interviewees, who acknowledged the dilemma, saying:

> *The current wording of the general objectives of the departments' and sections' targets are unrealistic and difficult to link to implementation mechanisms. More precisely, I think we are missing scientific studies in the formulation of targets.*

Similarity, in this context, one of the employees said:

> *I find difficulty in identifying the main objectives of the department. Also, for over 5 years I did not get a chance to train in areas that will help in the formulation and setting of goals.*

Table 6.12: Percentages and ranks of the challenges are related to the objectives

Ranks	Challenges that related to objectives	Percentage
1	Lack of clarity of the goals in the different departments and sections	100%
2	The difficulty of determining the general goals and the sub-goals	90%
3	Lack of identifying the necessary information for identifying the departments' targets	90%
4	Central in determining the goals by the highest authority	80%
5	Lack of training for employees to formulate goals and identified	60%

Q2. What are the challenges that face the management and employees which are related to the work plans?

This section focuses on finding out the responses of the question which asks about the top and middle management and employees' views on the challenges that face the

management and employees which are related to the work plans. The results in Table 6.13 indicate that the majority of the participants agreed that the first, second and third challenges were high.

Undoubtedly, the results show that the percentage of frequencies, which are associated with challenges through the lack of financial resources allocated to the action plans, scarcity of data on which action plans depend, and shortage of qualified human resources for the implementation of the action plans, are high. However, the fourth challenge, which is the lack of participation of employees in developing and identifying action plans, was reported by the participants giving an average percentage (70%). In addition, the fifth challenge that related to non-specific action plans that defined a period of time scored only 50%. In other words, it was revealed by half of the respondents that this challenge is significant. This consideration was reported by one of the middle management interviewees, who said:

> *In my view, the action plans focused on completing routine work without considering the ways to develop employees. The financial budget for developing human resource is low."*

Table 6.13: Percentages and ranks of the challenges are related to the action plans

Ranks	Challenges that related to action plans	Percentage
1	Lack of financial resources allocated to the action plans	90%
2	Lack of data on which depend action plans	80%
3	Lack of qualified human resources for the implementation of the action plans	80%
4	Lack of participation of employees in developing and identifying action plans	70%
5	Non-specific action plans that defined period of time	50%

Q3. *What are the challenges that face the management and employees which are related to the organisational structure?*

This part concentrates on finding out the answers to the question which asks for the top and middle management and employees' perspectives on the challenges that face the management and employees which are related to the organisational structure. Table 6.14 indicates that the majority of the respondents confirmed that the challenges occupying the first and second ranks are that the organisational regulation of the General Secretariat is out of date, and some responsibilities overlap between employees. Furthermore, the participants reported that the challenges associated with the lack of specialised committees to address some of the problems of emergencies at work and the absence of quality control in the work, have average ranks. The fifth challenge that was mentioned by the respondents was related to the fact many departments do not have regulations for work and there is no description of the work tasks. From the perspective of the respondents, this challenge was given a low rank. One of the participants made some significant remarks in this respect, saying:

> *I have a strong belief that the administrative work is not based on a regulation that could direct specific activities. I think most of the decisions are issued according to personal attitudes and problems and not on the particular system."*

Table 6.14: Percentages and ranks of the challenges are related to the organisational structure

Ranks	Challenges that related to organisational structure	Percentage
1	The organisational regulation of the General Secretariat is out of date.	100%
2	Some jurisdictions overlap between employees.	90%
3	Lack of specialised committees that address some of the problems of emergencies at work.	70%
4	The absence of quality control in the work.	60%
5	Many departments do not have regulations to regulate the work and there is no description of the work tasks	40%

Q4. What are the challenges that face the management and employees which are related to the periodic review?

This section includes the findings that answer the question about the challenges that face the management and employees and are related to the periodic review. The results indicated that the majority of the top and middle management and employees (90%) confirmed that the lack of specific standards to control and monitor the performance of staff in various departments is the main challenge. It is clear from Table 6.15 that the percentages and ranks of the second, third and fourth challenges in the theme relating to the periodic review were given average levels. These challenges are connected to the issues of the lack of periodic follow-up mechanisms to reports from departments, the limited availability of self-censorship among many employees, and the lack of commitment by some official staff in work time. Moreover, the final challenge that faces the management and employees relating to the periodic review concerns the lack of teamwork between departments. This challenge has a low percentage, 40% only. In explaining their views on this theme, one of the participants said:

> *In my experience, I think that there are no specific criteria for following up staff, but they are approached in a random manner. Also I notice that there are some employees who do not pay attention to achieving the desired objectives.*

Table 6.15: Percentages and ranks of the challenges are related to the periodic review

Ranks	Challenges that related to periodic review	Percentage
1	Lack of specific standards to control and monitor the performance of staff various departments	90%
2	Lack of periodic follow-up mechanisms to reports from departments	70%
3	Limited availability of self-censorship among many employees	60%
4	Lack of commitment by some official staff working time	50%
5	Lack of teamwork between departments and departments	40%

Q5. What are the challenges that face the management and employees which are related to the performance evaluation?

This part contains the findings that answer the question about the top management's views on the challenges that face the management and employees which are related to the performance evaluation. In Table 6.16, the results indicate that the challenges in ranks 1 and 2 are important and have a high percentage. Both of these challenges are associated with the shortage of financial incentive and the low standards employed in evaluating employees. However, the challenge in rank 3 is at the average level of the importance from the perspectives of the top and middle management and employees. On this same issue, one of the participants commented:

> *In fact, I am not satisfied with the way of evaluating the employees' performance in the various departments. In my opinion, there are no clear criteria. In addition, there is no justice in the performance evaluation. Also, there are no satisfactory financial incentives for efficient employees in most of the departments."*

Table 6.16: Percentages and ranks of the challenges are related to the performance evaluation

Ranks	Challenges that related to performance evaluation	Percentage
1	Lack of financial incentives that are given to employees	90%
2	Low level methods used in evaluating the employees' performance	80%
3	No clear mechanism to determine employee satisfaction	70%
4	Lack of qualified personnel to evaluate the performance of employees	60%
5	And there are some biases in the evaluation of performance among employees	40%

Furthermore, 40% of the respondents reported that the lack of qualified personnel to evaluate the performance of employees is a challenge facing the management and employees related to the performance evaluation.

6.4 Summary

The main findings of the empirical study, which were conducted in the General Secretariat to the Cabinet in Oman, have been summarised in the following points:

- The findings of quantitative analysis have shown that there is general agreement on the five principles of MBO (Setting Objectives, Action Plan, Organisational Structure, Periodic Review, and Performance Evaluation) among the top, middle, lower management, and the employees. This means that the implementation of MBO in the government sector in Oman is highly applicable.

- The findings of the qualitative analysis have revealed that there are some challenges in regard to applying MBO in the General Secretariat to the Cabinet. The key challenges are identified below:

  - The absence of quality control in the work.
  - Lack of specific standards to control and monitor the performance of staff in various departments.
  - Lack of periodic follow-up mechanisms in departments.
  - Limited availability of self-censorship among the employees.
  - Lack of commitment by some employees.
  - Lack of teamwork between departments.
  - Lack of financial resources allocated to the action plans.
  - The difficulty of determining the general goals and the sub-goals.
  - Lack of qualified human resources.
  - Lack of participation of employees in developing and identifying action plans.
  - Centralisation in determining the goals by the highest authority
  - Lack of training for employees to formulate goals.

The next chapter will discuss the whole findings of this study.

CHAPTER SEVEN

DISCUSSION OF THE RESEARCH FINDINGS

7.1 Introduction

The importance of the study lies in the potential effect of its findings on the General Secretariat to the Cabinet in Oman. The empirical findings are discussed in the light of the literature that was reviewed and the framework which was developed from the literature review. This discussion will focus on the main aim and the related objectives of this research, which are stated in Chapter One. In order to fulfil the aim and objectives and answer the questions of this research, the findings within the case study of the General Secretariat to the Cabinet in Oman were presented in Chapter Five. The current chapter discusses and identifies the implications of these findings.

The chapter consists of the following main sections: the first will discuss the issues related to the possibility of applying a model of MBO from the perspectives of top, middle and lower management and employees in the General Secretariat to the Cabinet in Oman; the second discusses the challenges that might prevent the application of a model of MBO from the viewpoint of top and middle and lower management and employees. This chapter also provides several guidelines for implementing the model of MBO in the General Secretariat. Additionally, it includes the main findings of the literature review and field work. Finally, the chapter proposes some recommendations and a conclusion.

7.2 Exploring the possibility of applying MBO in the General Secretariat of the Cabinet in Oman

This part of the discussion is related to an analysis of the responses given in Section Two of the questionnaire, to the closed question: *Q. What is the possibility of applying MBO from the perspectives of top, middle and lower management and employees in the General Secretariat of the Cabinet in Oman?*. Generally, Tables 6.6 to 6.10 show that there is an obvious possibility of applying MBO in the General Secretariat of the Cabinet in Oman from the perspectives of top, middle and lower management and

employees; average scores of 3.4 to 4.05 were given for all the statements of MBO principles. The results indicate that there are optimistic opinions for the application of the five MBO principles in the General Secretariat of the Cabinet, which are on the following themes:

F. Setting Objectives;
G. Action Plan;
H. Organisational Structure;
I. Periodic Review, and
J. Performance Evaluation.

Furthermore, the results showed the most applicable principle is Setting Objectives, particularly through the statements: *The objectives of the government sector must be clear and defined to the top management and the employees* and *The employees must participate with the management in articulating and setting the objectives*; these were given average scores of 4.05 and 4.04 respectively. From this result, it can be assumed that the respondents are aware of the importance of focusing clearly and accurately on goal-setting. They also have an understanding of the importance of setting realistic targets in the sections and departments, through participation. From this result, it can be concluded that the participants in the study are conscious of the significant role played by active participation in the formulation, implementation and review of goals and objectives.

This positive view surrounding the possibility of applying MBO in the General Secretariat is perhaps due to the participants' belief that the clear identification of realistic goals could help them to solve their problems of lack of clarity in the goals of sections and departments. Certainly, the participants believe that the formulation of goals is in their interest and will benefit their future careers. This result agreed with Al Shbool's (1995) study which showed that there is a high and positive possibility of application of MBO from the directors' perceptions, largely related to the principle of setting objectives.

In general, the findings revealed that the second principle which considers the action plan could be applied effectively in the General Secretariat to the Cabinet in Oman. This is possibly due to the realisation of the participants that developing practical plans to implement the sections' and departments' objectives would facilitate achieving the goals in an orderly and timely manner. This result could be attributed to the top, middle and lower management and employees' awareness of the importance of an action plan as a step to assist in determining the physical and psychological needs of the staff in the General Secretariat. It is a further reason for the need to include training programmes in the work plans, to help in the identification of the resources and methods of needed in the meeting of goals in this organisation. This finding agreed with Robbins (1984) who confirmed that the importance of identifying action plans, how to implement the goals, and methods for timely implementation would lead to correctly recognising the management and employees' responsibilities: as a result, the job would be done accurately. Additionally, Al Shbool (1995) emphasised that there is a strong possibility of applying MBO especially in association with setting action plans, because of the importance of achieving the organisation's goals.

Likewise, it can be noted from the findings that there is a strong possibility of applying the MBO model from the respondents' views, in the third theme which related to the organizational structure principle. This indicates that the top, middle and lower management and employees might suffer from the problems represented by the lack of a clear definition of the main and sub-responsibilities; they feel that this model could contribute to solving these problems and lead to attaining the management goals. This result agreed with Abdul Whab's (1984) study which demonstrated the importance of determining responsibilities and duties in raising employees' performance and achieving their own goals and the organisation's objectives.

The fourth principle of MBO is periodic review. The findings show, in general, that there is positive view of the possibility of applying MBO in the General Secretariat, in practice through the steps related to the periodic review. This result can be explained by the fact that the participants confirmed the importance of this stage in identifying ways of reviewing and following up performance to guarantee achieving the goals. This result perhaps refers to the phase of measurement and evaluation of progress to reach the

desired goals. Also, this stage, detected the strengths and weaknesses of the targets as a result of the existence of problems in the ways that follow up is managed in the departments. Finally, MBO could contribute to the precise routes to review intense work and thus increase the efficiency of performance. This result agreed with several studies, such as those by Abdul Whab (1984), Al Shbool (1995) and Carroll and Tosi (1973).

The fifth principle of MBO is performance evaluation. It seems from the overall results that there is a possibility of applying MBO in the General Secretariat of the Cabinet in Oman. This result could reflect the participants' concern about the significance of performance evaluation as an important tool to identify the achievement of the general goals of the organisation, as well as the goals of individuals. Furthermore, it is possible that this important stage would provide feedback for the development of new plans. This result agreed with Vincent (1994), who stressed the importance of performance evaluation as a step to measure the extent to which goals have been reached, and to consider rewarding employees who meet their targets.

After the above general discussion of the five MBO principles or themes, the researcher will provide detailed explanations of the results relating to each theme, according to the opinions of top, middle and lower management and employees. The findings below indicate participants' responses to these five themes or principles:

7.2.1 First Theme: Setting Objectives

The first theme comprises six statements that were grouped to explore the attitudes of the respondents regarding the steps of MBO application which were associated with setting objectives for sections, departments, management and employees. The results revealed that there is a high level of agreement among the participants surrounding the application of the six steps in this theme. The findings showed all six statements, from the first-ranked to the sixth, received strong support for the application of MBO. This result means that there is a high possibility of applying MBO in the General Secretariat of the Cabinet in Oman. The researcher will discuss these statements (steps) as follows:

1. *"The objectives of the government sector must be clear and defined to the top management and the employees."* This step received a high rank, and the respondents' attitude can be attributed to the reason that the clarity of these goals could help them to identify the tasks required of them in their work. Therefore, this might contribute to increasing their understanding of their jobs' responsibilities. It also perhaps raises the level of performance and consequently the sense of job satisfaction within the organisation. The researcher supposes that this might result from the presence of some challenges related to setting goals. So, the top, middle and lower management and employees believe that this step and applying the MBO model is the best way to help in understanding and identifying targets. Hence, focusing on setting goals will play an important role in career advancement and productivity for those participants.

This result has been supported by many researchers such as Hahn (2007), who makes the point that every manager must be able to clearly define the objectives for his/her purpose in the organisation. Additionally, Brim (2004) and Akrani (2010) indicated that the important element of goal setting is to ensure that once top management has determined the overall organisational objectives in consultation with other managers, these should be made known to all the members. It is also emphasised by Carroll and Tosi (1973), Odiorne (1965), Tubbs (1993) and Locke and Latham (1990) that the objectives should be divided among each level of management in order to clarify their hierarchical nature, and that they should be appropriate for each of those levels to achieve. In this respect, they highlighted that more specificity of objectives brings about better results since the requirements are clear, and that commitment from the groups involved is highly influential in attaining the objectives. Eckstein (2009) agreed with the view that objectives should be set and understandable for both management and employees. From these views, it can be said that the MBO model might help the management and employees in the General Secretariat to the Cabinet in Oman to set objectives at any level of the organisation, as long as they complement the overall organisational strategy and hence the vision and mission.

2. *"The employees must participate with the management in articulating and setting the objectives."* This step also got a high ranking. The result can be explained by the participants' belief that they should be required to participate in setting goals, as a way to help them identify the techniques for implementing those goals. In addition, the respondents may think that participation in modifying targets would contribute to raising morale.

This result is consistent with several studies which confirmed that effective participation between management and staff in making and amending objectives contributes to success at work (Akrani, 2010; Ab Alhafeed, 2001; Mcfarland, 1974; Murphy and Richard, 1982; Al Hawari, 1999). Furthermore, authors such as Hahn (2007), Dubrin (2000) and Kreitner (1995) suggest that participation could lead to greater acceptance by employees of the performance goals and management decisions, and also to improvements in communication and understanding among both managers and their subordinates. In conclusion, most of the respondents in the General Secretariat to the Cabinet strongly agreed that this principle embodies the notion that there should be a partnership between the manager and employees in terms of setting objectives, identifying ways to achieve targets, and the means to assess performance and results.

3. *"The management should formulate the objectives with the employees accurately, precisely and measurably* and *The management and employees should specify time limits for accomplishing the objectives."* These steps were ranked by the respondents as applicable to the implementation of MBO in the General Secretariat to the Cabinet in Oman. This outcome could result from the participants' strong belief in the importance of the participation of both management and employees in defining and setting goals using measured and accurate ways. This may perhaps lead to feedback with good results for the organisation and its employees. This is strengthened by the participants' faith in the significance of practical and accurate identification of the objectives to be achieved, thus solving the problems related to lack of clarity of goals and limited time in which to achieve them.

In this respect, a number of researchers (Murphy and Richard, 1982; Al Hawari, 1999; Eckstein, 2009; Certo, 1997; Vecchio, 1991; Nashwan, 1992; Robbins, 2001) confirmed

that it is essential for management and employees to establish the various requirements for good goal setting. For instance, objectives should be specific, measurable, achievable, relevant and time-based. Expanding these features that must be set for the achievement of these objectives, they must, respectively: be not too broad but should be accurately defined; be able to measure success against the objective; able to achieve the objective; (complement higher objectives and strategy; be relevant to the person/department for whom the objective is being set; and be open-ended and given a specific date for completion.. Summarising this step, it seems that the top, middle and lower management and employees in the General Secretariat agree that objectives must be formulated bearing in mind the realistic potential of the human and material resources of the organisation, and that they can be measured.

4. *"The employees in cooperation with the management should be committed to achieving the agreed-upon objectives."* This step was ranked by the respondents as applicable to the implementation of the MBO model in the General Secretariat. This outcome can be clarified by saying that the participants emphasised that the more specific are the objectives, about the better will be the results, since the requirements are clear, and commitment from the groups involved is highly influential in attaining the objectives in practice. Therefore, it seems from the respondents' perspectives that commitment is essentially an outcome of the degree of significance attached to the goal by those tasked with achieving it, and with the amount of feedback they receive from managers along the way.

Indeed, groups of researchers and authors confirmed this opinion by arguing that every member must be committed since total determination is more likely to ensure goal attainment (Locke and Latham, 1990; Tubbs, 1993; Odiorne, 1965). Similarly, Akrani (2010) and Robbins (2001) agreed with this result that to be committed, employees need to know precisely what they are committing themselves to, which demands that goals be tangible, verifiable and measurable. Summarising this step of MBO, it can be said that the top, middle and lower management and employees in the General Secretariat to the Cabinet consider that managers in the MBO model must be able to instil in employees a sense of vital commitment and a desire to contribute to organisational goals; that they be required to control and co-ordinate the efforts of employees toward goal

accomplishment; and finally, that they have to help their employees to grow in ability so that they can make greater contributions to the organisation.

5. *"The management with employees should regularly review the objectives in the light of market requirement*s." This step was also given a high average score and a high ranking for the possibility of its application in the General Secretariat to the Cabinet in Oman. This result can be attributed to the participants' awareness of regular reviewing of the objectives in the General Secretariat to the Cabinet. Furthermore, this result could refer to the importance of recognising strengths and weaknesses in achieving the targets from the perspectives of top, middle and lower management and?. From the point of view of the respondents, it might be refer to their suffering from the lack of revision of these goals and non-periodic evaluation. From the findings, there is a clear idea that the participants agreed with this step of the review and appraisal of objectives. Periodic reviews of progress between managers and employees would determine if the employees' progress is satisfactory, or whether he/she is facing problems. The results show that reviewing objectives should be conducted according to fair and measurable standards.

This result is in agreement with numerous researchers who established that, in MBO, management and employees must together set standards and establish norms for evaluating organisational and individual objectives (Akrani, 2010; Murphy and Richard, 1982; Al Hawari, 1999; Nashwan, 1992; Eckstein, 2009; Al Hawari, 1999; Thomson, 1998; Drucker, 1954; Weihrich, 2000; McGregor, 1966). Additionally, in this respect, Brim (2004) confirmed that it is essential to identify key results and performance standards for each objective, and periodically measure or assess the status or outcome of the goals and objectives. To conclude this step, the results have already shown that respondents might suppose that setting goals and regularly reviewing these objectives in the light of market requirements is a key approach to implementing MBO in the General Secretariat to the Cabinet in Oman.

7.2.2 Second Theme: Action Plans

The second theme contains six statements that were grouped to explore the attitudes of the respondents regarding the steps of MBO application associated with action plans in the General Secretariat to the Cabinet in Oman. The outcomes showed that there is a high agreement between the participants surrounding the application of the six steps in this theme. The results revealed that the rankings of all six statements received high estimates of application from the participants' perceptions. This means that there is a strong possibility of applying the model of MBO in the General Secretariat to the Cabinet. The researcher will discuss these statements or steps as follows:

1. *"The management in collaboration with the employees outlines a clear work plan, the management in cooperation with employees determines time limits for each part of the work plan*, and *the plan depends on clear and accurate data and it includes all duties expected to be carried out by the employees*." These steps received high rankings. This result could be attributed to the fact that the clarity of the action plans would help the respondents to classify the tasks required in their work. Therefore, it might contribute to increasing their understanding of the responsibilities of the job. It is also possible that they are looking to increase the effectiveness of the organisation and development through the expansion of clear action plans with a specific period of time for completing these plans. The researcher supposes that this result possibly stems from the current absence of comprehensible action plans. So, the top, middle and lower management and employees believe that these steps could be applied through MBO model, and would be the best way in which to help in the formulation and identification of work plans. Focusing on action plans will therefore play a significant role in productivity for those participants. The reason for the higher estimates from the participants on the importance of action plans may be due to their belief that action plans will help them to identify what needs to be done, when the work begins, when it ends, and the anticipated costs of the implementation of these plans. Thus, these plans could contribute to achieving the desired goals.

This result has been supported by several researchers; for instance, Akrani (2010) and Robbins (1984) confirmed the importance of action plans in determining how to achieve

the goals, and so defining the necessary activities and distribution of responsibilities for each activity and time to complete it could lead to establishing what progress has been made. Akrani (2010) and Tosi and Carrol1 (1968) also observed that, given the inherent nature of MBO, the advantage is increased attention to planning, developing action plans, ensuring resources are available to complete the tasks associated with the action plans, and generally managing the whole planning process more effectively. Additionally, the implementation of MBO in local government management in England showed that the clear steps in making action plans are one of the roads to the success of MBO; these include development of an action plan that takes into account the working methods of the local management, and procedures necessary to implement the goals, according to the human and material capabilities available to the management (Abdul Wahab, 1984). From these views, it can be supposed that the MBO model might help the management and employees in the General Secretariat to the Cabinet in Oman to set action plans for any level of the organisation, on condition that they complement the overall organisational strategy and hence the vision and task.

2. *"The plan must specify the methods of achieving the objectives and consider the financial, social and environmental factors that help its success* and *in designing the plan, the management must consider the psychological and social needs of the employees."* These steps also achieved a high ranking. This could be attributed to the clarity of methods for achieving the objectives in action plans, helping the respondents to organise the responsibilities that are an essential part of action plans. Also, the early identification of these methods may possibly assist them to avoid losses. Furthermore, it is apparent from the respondents' attitude that action plans should include consideration of financial, social and environmental factors. From this result, the top, middle and lower management and employees agreed that in designing the plan, management must take into account the psychological and social needs of employees. Consequently, the participants believe that these steps could be applied through the MBO model as the best way to identify employees' needs; thus, these plans could contribute to achieving the preferred objectives. Obviously, the participants support the step for a mainstream plan incorporating the social and cultural factors of Omani society. This attention to the specific nature of the community could contribute to the success of work plans in the General Secretariat of the Cabinet.

This result has been emphasised by many models of MBO, such as that of Al Hawari (1999), who suggested seven steps that form the MBO process. These include work plans, and he reported that action plans should be compiled, as well as plans for improvements in the various systems that support the application of MBO, such as personnel, information and financial systems. Likewise, Al Madhoon (1984) agreed with this result and he put forward a version of MBO that adopts a final plan to accomplish each goal, with the development of methods and procedures, methods and standards of measurement, and setting a specific time for the completion of the goal. On same issue, Abdul Wahab (1984) included in his model the development of a plan of the device, which includes the overall plan of the device, the general objectives, and environmental factors. Furthermore, the emphasis in Humble's (date?) model is on the stages of setting objectives, action planning and reviewing performance; this focuses on the idea of the action plan providing a visualisation of the pattern of work within the organisation, with clear tactics and procedures that can be used during implementation (Hanika, 1972). From this debate, it can be noted that MBO might help the management and employees in the General Secretariat of the Cabinet in Oman to implement and establish work plans, by taking guidance or clarification if required from the management.

3. *"The plan contains training programmes for the management and employees."* This step received the highest ranking in the second theme for the possibility of application of the MBO in the General Secretariat to the Cabinet in Oman. This result could be attributed to the importance of training programmes in increasing efficiency at work, and contributing towards the best performance levels. It is obvious from this finding that the participants think that training programmes are an absolutely crucial success factor for the action plans, even though the respondents may have no prior experience of the MBO processes involved. It is also important for senior management to appreciate that all new management techniques are useless without skilled people to implement them, and hence there is another very important justification for investing in the general development of all stakeholders, and not just in the skills required for MBO.

This result agreed with many researchers; for example, Akrani (2010) and Hahn (2007) recommended that managers should be given adequate training in the MBO philosophy before its introduction, so that they can reach a position where they can integrate the technique with the basic mission of their organisation. Hahn (2007) also commented that, as part of action plans, training should involve practice sessions where performance objectives are formulated, evaluated and discrepancies are checked. Similarly, as part of the formulation of goals, both managers and subordinates must be trained so that they set realistic goals, especially as they will be held responsible for the results. From this argument, it can be seen that MBO may help the management and employees in the General Secretariat to the Cabinet in Oman by improving the skills and abilities required of all parties for the effective implementation of the demands of MBO. Moreover, they believe that with appropriate training and the creation of the right skill-set within an organisation, MBO can be implemented successfully, resulting in greater performance and productivity in Oman.

7.2.3 Third Theme: Organisational Structure

The third theme comprises six statements that were grouped to explore the attitudes of the respondents regarding the steps of MBO application relating to the organizational structure of the General Secretariat to the Cabinet. The results showed that there is clear agreement between the respondents about the application of the six steps in this theme. This means that there is a strong possibility of applying MBO in the General Secretariat. The researcher will detail these statements (steps) as follows:

1. *"The management outlines regulations that organise work in departments, The regulations should include the main and sub-responsibilities for the management and employees* and *The management in collaboration with employees should identify any overlap of duties*." These steps achieved a high ranking, which could be attributed to the participants suffering from the problem of non-renewal regulations. It is may help them to identify problems such as a lack of suitable powers with responsibilities. It is also possible that this finding could be due to participants' awareness of the importance of these steps in the implementation of action plans and achieving goals. The results appear to stress these steps because of their role in contributing to the definition of management and employees' duties and responsibilities. The participants may also feel that

the management, in collaboration with employees, should identify any overlap of duties which might facilitate improving their performance.

This result agrees with many studies. For example, Tehrani (1989) pointed out that the recognition of management and staff of their duties and responsibilities helps to increase the level of productivity and performance in achieving goals. Similarly, Krueger (2004) confirmed that a key element of MBO is the delegation of authority and power from managers to employees. Akrani (2010) and Hahn (2007) reported that MBO requires top management to provide clear, visible support, valuable advice and guidance to their employees, and to help them to understand their responsibilities in the workplace. In this way, MBO ensures effective communication between management and workers in order to achieve the objectives set. Hence, this can motivating both managers and employees as it enables them to see their roles more clearly. In this respect, Cook and Hunsaker (2001) agreed with the results, suggesting other steps that may help in the implementation of MBO, and citing the development of specific measurements such as a clear indication of the time period in which to achieve goals, and the need for clear delineation of responsibilities and duties at different organisational levels. From consideration of these steps, it can be seen that MBO might help to clarify their duties and responsibilities, and to identify problems such as a lack of suitable powers.

2. *"The management in teamwork with employees should specify duties that might be delegated."* This step received the highest ranking of agreement. This result could be attributed to respondents suffering from a lack of participation between management levels and employees in specifying duties that might be delegated to the employees. Therefore, all the interviewees believe that MBO might assist them to recognise and solve this problem, especially by if management and employees work together as a team. This result also, perhaps, showed that the participants' view of teamwork would make it possible for all the individual efforts within a group to result in greater performance than the sum of individual inputs.

This outcome has been confirmed by many researchers (Akrani, 2010; Robbins and DeCenzo, 2003; Hahn, 2007; Robbins, 2003; Koontz *et al*., 1980). They observed that employee participation leads to greater acceptance of performance goals and management decisions, as well as improvements in communication and understanding among both managers and subordinates. Akrani (2010)has also argued that teamwork has emerged as a critical success factor in respect of many modern management philosophies, especially those concerned with quality improvement. Earlier, Drucker (1954) had recognised the value of teamwork, arguing for the value of people working together towards the same goal; he emphasised that teamwork implies balancing the efforts made towards achieving objectives, since efforts that are uneven or tend towards individual empire building will counteract organisational performance. Drucker and Maciariello (2004) also highlighted that MBO embodies a process that supports and facilitates teamwork, and Antoni (2005) reported the strong emphasis on teamwork required by MBO in his study of 176 employees; he concluded that MBO can be a powerful tool for developing group efficiency, productivity and job satisfaction. Thus, MBO might support to encourage the management to work as a team with employees in identifying their duties.

3. *"The management provides opportunities for formal and informal communications* and *The management provides systems involving specific rules for submitting suggestion and complaints*." These steps also achieved a high ranking, possibly because of participants suffering from the problem of lack of communication between management and employees. It can be also explained by the awareness of participants that there are shortcomings in the provision of opportunities for communication. Furthermore, it could be due to the attention given by participants to the communication channels between management and staff that connect directly and indirectly, which would contribute to achieving the goals. Also, it is obvious from the results that the participants recognise the importance of employees' suggestions in improving the progress of work and achieving the goals.

This result agreed with many researchers who confirmed that MBO clarifies goals, improves communication, and leads to managers and employees interacting on a frequent basis (Sah, 2012; Al Hawari, 1999). This means that more interaction occurs

between MBO stakeholders, and that opportunities are provided for the development of a culture of communication and dialogue, and improved relationship building. The benefit of improved communication between managers and subordinates was also highlighted by Tosi and Carroll (1968), who emphasised that one output of improved communication was the fact that individuals become aware of organisational goals, and hence, of what is expected of them, and over what periods of time. To conclude these steps, it can be supposed that MBO could facilitate the management and employees by concentrating on the human relations approach, and hence considering the personal goals of employees, as well as their relations with managers and colleagues at work.

7.2.4 Fourth Theme: Periodic Review

The fourth theme contains six statements that were grouped to explore the attitudes of the participants regarding the steps of MBO application associated with periodic review in the General Secretariat of the Cabinet in Oman. The results showed that there is a high level of agreement between the respondents' answers to the application of the six steps in this theme, and thus a strong possibility of success in applying the model of MBO in the General Secretariat to the Cabinet. The researcher develops these statements (steps) as following:

1. *"The management provides all information about the organisation performance for employees* and *The management considers on broadcasting the spirit of partnership and teamwork between the employees*." These steps obtained the highest rank for the possibility of the application of MBO in the General Secretariat to the Cabinet in Oman. This finding might be attributed to the participants in the study emphasising the importance of teamwork and participation in work. The participants also appear to recognise the importance of identifying data on the organisation, and the progress made in the implementation of the set objectives and action plans. This may include daily, weekly, monthly or periodic review, depending on the nature of the objectives and the timescales in which they are to be achieved. The outcome of each review action should be an assessment of the extent to which the goals are being met, so that planning for the next stage can continue on the basis of accurate

information. Furthermore, problems may arise from the difficulty of investigating organisational performance. This finding may result from participants' awareness of the importance of these steps in the implementation of action plans and achieving goals.

This result agreed with many researchers who confirmed that the need for uninterrupted information feedback was a critical success factor for MBO (Akrani, 2010; Philip, 1993; Al Salmi, 1999). These researchers noted that both management and employees should have information regularly made available to them on how well the employees are performing in their attempts to reach the agreed objectives. In this respect, they highlighted the fact that information should also form part of the regular performance appraisal sessions; and as part of the overall information system, provision should be made for counselling, and encouragement to subordinates should be given. Indeed, managers must have the necessary information on the objectives of the organisation and the needs of individuals in order to jointly formulate goals, analyse performance, then re-formulate goals to ensure constant improvement (Philip, 1993; Al Salmi, 1999). The practical experience of the many organisations in the application of MBO, demonstrating that one of the main success factors was the availability of information and data on goals and financial needs for implementation and training. It clear from the finding that where there is no culture of sharing information, a re-orientation of attitudes is required to obtain a more open communication atmosphere. Drucker (1954) confirmed this finding of the significance of teamwork. From the discussion, it can be said that MBO might encourage to work as a team with employees, in providing information about the organisation performance, in the spirit of partnership.

2. *"Monitoring the implementation of the plan is carried out in the light of expected objectives and outcomes*, *The management and employees must meet on a regular basis for following up the implementation of the plan* and *The management in cooperation with employees analyses the work-related data for following up the accomplishment of objectives*."* These steps were all ranked highly. This result could be attributed to the importance of periodic review of objectives and action plans in the General Secretariat to the Cabinet, in increasing efficiency at work. It is also obvious from this finding that the

participants think that monitoring the implementation of the plan should be carried out in the light of expected objectives and outcomes, to help them to reach a greater level of performance. They believe that it is an absolutely crucial success factor to review the objectives and targets. The results also show that the respondents believe that the control process through continuing monitoring is an essential feature of MBO.

This result agreed with many researchers who confirmed the need for uninterrupted information feedback as a critical success factor for MBO, as stated above (Akrani, 2010; Philip, 1993; Al Salmi, 1999; Abdul Wahab, 1984). These researchers noted that the basis of MBO is that progress is planned through setting objectives, and that monitoring is implicit in order to establish what progress has been made. In addition, the monitoring system has to be sufficiently up to date that issues can be dealt with before they threaten the achievement of goals. Spreading down through the organisation, no goal is set in isolation. This means that meeting targets in one area will affect targets everywhere. An annual performance review is insufficient (Drucker, 1954). Badly implemented MBO also tends to stress the setting of goals without monitoring them, and it is here that management can control performance and demand accountability (Drucker, 1954).

Akrani (2010) and Tosi and Carrol1 (1968) agreed with the result on monitoring, that one advantage of MBO is increased attention being paid to planning, developing action plans, ensuring resources are available to complete the tasks associated with the action plans, and following up the implementation of these plan. In this respect, some of the international experiences of implementing MBO in the public sector illustrated that the periodic review of the implementation of the action plan was necessary to monitor the extent to which the established objectives were being achieved: for example, the Office of the Civil Service of America, the Local Government Management in England, the University of Tennessee, Saudi Telecommunications, and the Emirates Telecommunications Corporation Limited. Therefore, it can be said that MBO might help the management and employees in the General Secretariat of the Cabinet to monitor and follow up the implementation of their plans.

3. *"The management encourages employees to revitalise self, accountability and responsibility."* This step achieved high rankings. This result could be attributed to the importance attached to revitalising self, accountability and responsibility in the General Secretariat in increasing the efficiency at work. It is also obvious from this finding that the participants believe that accountability and self-censorship will give them more confidence in their work, and will contribute to an increase in productivity. As a result, it can be said that MBO may perhaps assist the management and employees in the General Secretariat to the Cabinet to revitalise self, accountability and responsibility.

This result has been confirmed by several researchers who agreed that in MBO, employees are more self-directed than manager-directed; thus, the independent performance is expected from employees, whichrequires that management provide them with the tools they need (Drucker, 1954; Abdul Wahab, 1984; Al Madhoon, 1984; Robbins, 1984). Moreover, Al Rehaily (2009) agreed with this result, that participants believe that accountability and self-censorship will give them more confidence in themselves, as well as contributing to enhancing productivity. This finding confirmed that MBO enhances self-evaluation and encourages the identification of the duties and rights for achieving the goals. Thus, self-censorship of performance is an important principle of MBO. It is apparent from this result that the management and employees in the General Secretariat to the Cabinet confirmed that it is necessary to give opportunities to individuals to realise their potential and carefully consider the performance of their responsibilities.

7.2.5 Fifth Theme: Performance Evaluation

The fifth theme comprises six statements that were grouped together to explore the attitudes of the respondents regarding the steps of MBO application relating to performance evaluation in the General Secretariat to the Cabinet in Oman. The results showed that there is strong agreement among the respondents concerning the application of the six steps in this theme. This means that there is a stong possibility of success in applying the model of MBO in the General Secretariat to the Cabinet. The researcher will fill out these statements (steps) as follows:

1. *"The employees should participate with management in their performance evaluation, The management should care about employees' satisfaction regarding the work outcomes, and Performance evaluation is to be linked only to the completion of objectives."* These steps received the highest and high rankings. The results clearly illustrated the point of view of the participants that the objectives and evaluation results depend on completion of the objectives. Furthermore, they agreed that the management should be involved with staff in the process of assessing the achieved goals and evaluating performance and results. It is essential that the management seeks to employee satisfaction over the results of their work and the extent to which they have reached their goals. The results could further be attributed to participants experiencing a problem of less participation in the evaluation performance. Therefore, MBO may help them to identify problems such as a lack of participation in evaluating their objectives and results. It is also possible that this finding could be due to participants' awareness of the importance of these steps in the implementation of performance evaluation, in contributing to informing management and employees about their responsibilities in achieving the goals in the General Secretariat to the Cabinet in Oman.

This result has been established by many researchers who agreed that another critical success factor for MBO is the implementation of a sound performance measurement system (Robbins, 1984; Smith et al., 2003; Cook and Hunsaker, 2001; Abdul Wahab, 1984). As agreed by Dinesh and Palmer (1998), MBO requires employees to participate in the goal-setting process and thereby to influence the objectives they are to achieve. This encourages them to perform well, and at the same time it develops their capacity in decision making, not only in setting the goals but in determining how to meet and evaluate them. Tosi and Carroll (1968) similarly identified improved performance evaluation as an advantage to be gained from MBO because the approach focuses on results. This is a benefit confirmed by Akrani (2010) who observes that MBO facilitates objective appraisal, with both managers and employees participating in the process.

Al Hawari (1999), Thomson (1998) and Drucker (1954) revealed that the establishment of an evaluation system in organisations that apply MBO is necessary in order to measure results. They reported that this system helped to establish fixed rules for measuring performance, and such a system also contributes to the extent to which the

objectives are actually achieved, since it enables the feedback upon which behaviour can be sustained, or changed to realise better outcomes. Hence, performance evaluation is a fundamental principle in the MBO process. Akrani (2010) and Thomson (1998) argued that MBO is a systematic and rational technique, allowing management to attain maximum results from the resources that are available by focusing on attainable goals. It is evident from this result that the management and employees in the General Secretariat believe that employees should participate with management in their performance evaluation, and that performance evaluation is correlated with the completion of objectives.

2. *"The management reward employees according to their achievements*, *The management acknowledge and appreciate the employees' new ideas that help to improve performance* and *The performance evaluation leads to determine the needs of training for the employees*." These steps all achieved high rankings. Clearly, from the respondents' views that individuals work towards goals, there must be some notion of reward for their achievement. MBO is most effective when the rewards are of various types and amounts, ranging from the good feeling associated with achievement, to monetary gains. This finding could be attributed to the importance of using goals to motivate employees rather than to control them. It also reflects that the participants suffer if they are not rewarded according to their achievements. Participants are also aware that there are shortcomings in the management's failure to acknowledge and appreciate employees' new ideas.

The results confirmed that the participants believed that it is necessary to make creative decisions; this improves motivation, hence encouraging good performance. This result has been established by several researchers. Also, from the results, it is also important for senior management to appreciate that all new management techniques are useless without skilled people to implement them, and hence there is another very important justification for investing in the general development of all stakeholders, and not just in the skills required for MBO. The point is made by Hahn (2007) that as part of such general development, managers need to be taught how to use advanced methods of performance appraisal. Consequently, it can be said that MBO could help the

management in the General Secretariat to the Cabinet in Oman to appreciate their employees' new ideas, to improve performance, determine the needs of training and provide rewards. It was noted by Al Rehaily (2009) that this is not a new idea, having originally been proposed 50 years ago' it is a means of using goals and rewards to motivate people rather than to control them. Similarly, Robbins (2001) and Weihrich (2000) noted that in MBO, the manager has an important tool in setting and achieving forward-looking goals, namely people; in order to achieve results with this human resource, the manager must consider workers' needs and behaviour. Thus, it is manifest from this result that the management and employees in the General Secretariat of the Cabinet in Oman confirmed that employees should provide rewards and training courses.

7.3 Investigating challenges that prevent the application of MBO in the General Secretariat to the Cabinet in Oman

This part of the discussion describes analysis of the responses in the individual semi-structured interviews of the 10 participants from top and middle management (consultants, general directors and directors) and employees in the General Secretariat to the Cabinet in Oman. The questions posed were open-ended:

Q1. From your perspective, what are the challenges that face the management and employees which are related to the objectives? Explain your answer

Q2. In your view, what are the challenges that face the management and employees which are related to the work plans?

Q3. In your opinion, what are the challenges that face the management and employees which are related to the organisational structure?

Q4. What are the challenges that face the management and employees which are related to the periodic review?

Q5. What are the challenges that face the management and employees which are related to the performance evaluation?

In the next sections, the researcher will provide detailed explanations of the results related to each of, the five themes:

- Challenges in relation to Setting Objectives;
- Challenges in relation to Action Plan;
- Challenges in relation to Organisational Structure;
- Challenges in relation to Periodic Review, and
- Challenges in relation to Performance Evaluation.

7.3.1 The Challenges in Relation to Setting Objectives

This section concentrates on discussion of the findings of the question which asked about the challenges facing the top and middle management and employees in relation to setting objectives. All of the participants confirmed that the main challenge is the lack of clarity of the goals in the different departments and sections of the Secretariat. This result may be attributed to participants' experiencing delays at work with the introduction of new regulations in the General Secretariat to the Cabinet; the goals are not clear because they continued to work under the old regulations. Also, perhaps the management style in these departments does not help to clarify goals for the staff. There might also be a lack of involvement in the development of goals and action plans for staff, so that they find it difficult to understand them and link them to the mechanisms of work. This result was confirmed by Knezevich (1973), who established that the reasons for the success of the MBO in the Office of Education in the USA as the key points: the general objectives of the organisation, the objectives of the sections within it, indicators in respect of the achievement of the goals, the time schedule allowed, and the material cost believed necessary to achieve the goals.

In addition, it is clear from the results that the majority of the participants (80-90%) emphasised that the difficulty of determining the general goals and the sub-goals, lack of identifying the necessary information for the departments' targets, and setting the goals by the highest authority, are important challenges that, from their perspective, could prevent the application of a model of MBO in the General Secretariat to the Cabinet in Oman. These findings may be attributed to the limited availability of data that would help them to determine the overall objectives. Therefore, the interviewees face challenges in setting goals because they need training programmes in how to set objectives. It is clear that the central management hinders the participation of staff in the setting of goals and the evaluation of plans. This result has been confirmed by Vincent's

(1994) study, which showed that the determining of general and sub-goals through the participation of management with staff contributed to improvement of relations between them, and also helped to motivate staff and increase job satisfaction.

Similarity, the fifth challenge, which is related to the lack of training for employees in identifying and formulating goals, received an average percentage. This results from the lack of a scientific way to formulate the targets, and difficulty in identifying the main objectives of the departments in the General Secretariat to the Cabinet in Oman. This result was confirmed by the successful experience of applying MBO in local government management in England, which described the importance of formulating and identifying goals (Abdul Wahab, 1984). Indeed, Andrzejewski (1988) recommended that in the goal-setting process, the widest audience possible should be involved (for example the school, the region, parents, students, teachers, and other school staff).

7.3.2 The Challenges in Relation to the Work Plans

This section focuses on discussion of the results from the question concerning the challenges that face top and middle management and employees as related to work plans. The results indicated that the majority of participants confirmed the lack of financial resources allocated to the action plans, that the financial budget for developing human resources is low, the scarcity of data on which the action plans depend, and the shortage of qualified human resources for the implementation of the action plans; these are the main challenges facing them in the General Secretariat to the Cabinet in Oman in the General. These findings may be attributed to the importance of these issues in the interviewees' work, in improving performance and effectiveness. This result is confirmed by Abdul Wahab (1984), Dubrin (1997), Al Hawari (1999) and Hahn (2007), that the development of action plans in MBO, should investigate the working methods of management; the procedures necessary to implement the goals, according to human and material capabilities available to the management; financial resources; detailed data about action plans which can be developed through formal education, structured training and practical experience; and the right time for the development of action plans.

Furthermore, the results showed that the participants agreed that they are facing challenges associated with the lack of employee participation in developing and

identifying action plans, and the non-specific action plans that defined by a period of time. These findings may be attributed to the management style in the General Secretariat to the Cabinet, which does not help employees to participate in and clarify the setting of work plans. The results also indicated that the participants have not had any experience in defining the exact time for applying the plans, so the plans focused on completing routine work without considering the ways and time needed to develop the organisation. From the perspectives of the management and employees, it is significant to have clear action plans in applying MBO in the General Secretariat to the Cabinet. This result has been confirmed by Saudi Telecommunications' experience in applying MBO, which focused on the most prominent outcome of applying the model and can be seen in its overall success: significant participation between management and employees in using all the available human and material resources, and identifying action plans using knowledge and data to manage the work of the organisation.

7.3.3 The Challenges in Relation to the Organisational Structure

This part concentrates on discussion of the findings resulting from asking the top management, middle management and employees about the challenges facing them that are related to the organisational structure. The majority of the respondents confirmed that the General Secretariat relies on old regulations which result in some overlap in the responsibilities of employees. These findings may be attributed to the participants' belief that the new regulations are very significant in improving work performance and achieving the goals. This result has been confirmed by Philip (1993) and Al Salmi (1999), who said that managers must have the necessary new information on the objectives of the organisation and the needs of individuals in order to jointly formulate goals, analyse performance, and re-formulate goals to ensure constant improvement.

Furthermore, the participants reported that the lack of specialised committees to address problems such as how to handle emergencies at work, and the absence of quality control, are challenges affecting them. These findings may be attributed to the lack of specialists who have skills in handling emergencies at work. Thus, the respondents are paying serious attention to solving urgent problems, and this could help them to meet the aims of quality levels. This result has been confirmed by Hahn (2007) that it is

essential for management to know emergency techniques to solve the problems, and that MBO is useless without skilled people to implement it. Hence it was found that the approach was successful in enabling the quality objectives of the enterprise to be achieved.

It was also mentioned by the respondents that many departments do not have regulations for work and there is no description of the work tasks. These findings may be attributed to the fact that administrative work is not based on regulations that could be directed at specific activities. Maybe the decisions issued have been influenced by personal attitudes and problems, and are not related to the particular system. Therefore, the respondents are facing this challenge in the General Secretariat to the Cabinet. This result has been confirmed by the Emirates Telecommunications Corporation Limited (1990), with the MBO model which they aimed to operate, maintain and develop as an entire system of public telecommunications in the United Arab Emirates and abroad. The model contains the various steps such as the establishment of criteria for describing the tasks and measuring the productivity of workers through understandable regulations.

7.3.4 The Challenges in Relation to the Periodic Review

This section includes the findings from answers to the question about the challenges that face the management and employees and are related to the periodic review. The results indicated that the majority of the top and middle management and employees confirmed that the lack of specific standards to control and monitor the performance of staff in the various departments is the main challenge. These findings may be attributed to the participants' awareness of the importance of identifying these criteria in the follow up to performance review. Such standards could contribute to the accurate measurement of the progress towards goals, and could help to raise the level of productivity and performance of staff. This result has been confirmed by many researchers and agencies, such as Vincent (1994), Al Sultan (1990), Carroll and Tosi (1973), the Emirates Telecommunications Corporation Limited (1990), Robbins (1984), Cook and Hunsaker (2001) and Dahawi (1995), that a critical success factor for MBO is the implementation of particular standards to measure performance and development, depending upon the nature of the objectives and the timescales within which they are to be achieved. The outcome of each review action should be an assessment of the extent to which the goals are being met, so that planning for the next stage can continue on the foundation of accurate information.

The participants are also facing other challenges connected with the issues of lack of periodic follow-up mechanisms to reports from departments, the limited availability of self-censorship among many employees, and the lack of commitment by some official staff during working hours. These findings may be attributed to the importance of these issues in work development and improvement. It was noted that the respondents paid attention to periodic follow-up systems, self censorship and commitment to work because of their role in developing action plans and reaching the goals. This result has been confirmed by groups of researchers and authors, that to be committed, employees need to know precisely what they are committing themselves to, and this demands that goals be tangible, verifiable and measurable (Locke and Latham, 1990; Tubbs, 1993; Odiorne, 1965; Akrani, 2010; Robbins, 2001).

The final challenge that faces the management and employees related to the periodic review concerns the lack of teamwork between departments and sections. These may be attributed to the participants' acceptance of the idea of teamwork, which has emerged as a critical success factor in respect of modern management philosophies, especially those concerned with quality improvement. This result has been agreed by several researchers. For example, Antoni (2005) studied the relationship between MBO and team performance and his result supported the argument that the MBO system is a powerful tool to develop group efficiency and subsequently contribute towards increased productivity and job satisfaction. This author also found that team characteristics play a vital role in achieving stated goals. Furthermore, it was argued that teamwork makes it possible for individual efforts in a group to achieve greater performance than the sum of individual inputs, and it also recognised the value of teamwork, arguing for the value of people working together towards the same goal (Akrani, 2010; Drucker, 1954; Poister and Streib, 1995; Al Shboul, 1995; Rosli, 1990; Lee and Carol, 1989; Brady, 1986; Koontz *et al.,* 1980).

7.3.5 The Challenges in Relation to the Performance Evaluation

This part contains the findings that answer the question about the challenges that face the management and employees as related to performance evaluation. The results indicate that the challenges are associated with the shortage of financial incentives and the low of standard for evaluating the employees. These findings may be attributed to the fact that the action plans do not include any consideration of financial reward, nor do they take into account the appropriate standards that meet the psychological and social needs of employees. Consequently, the participants believe that these challenges could be addressed through the MBO model, the best way of helping to identify employees' needs and providing rewards. This result has been confirmed by the University of Tennessee which applied the principles of MBO; one of the main features was the capacity to reward staff based on their contribution to organisational goals (Abu Nabaa, 2011).

However, the challenge of the absence of a clear mechanism to determine employee satisfaction is rated as of average importance as a challenge, from the perspectives of the top and middle management and employees. These findings may be attributed to participants' agreement that management should involve employees in the process of assessing the achieved goals and evaluating performance and results. Maybe they believe that it is necessary to ensure employee satisfaction through the results of their work and the extent to which they reach their goals. Moreover, the result could be attributed to participants' suffering from the problem of insufficient participation in evaluating performance, problems which MBO might help them to identify. This result has been emphasised by many researchers such as Cook and Hunsaker (2001), and Dinesh and Palmer (1998).

The respondents also reported as challenges the lack of qualified management to evaluate the performance of employees, and identified some bias in the evaluation of employees' performance among. . These findings could indicate dissatisfaction on the part of employees because of the manner of evaluating their performance in the various departments, without clear-cut criteria. It may also be because there is no justice in the performance evaluation. It is clear from the respondents' view that the development of such characteristics is essentially a cultural matter, since some societies are clearly reticent about those with managerial power considering the views of subordinates, and

at the same time engendering fear of reprisals among subordinates for daring to offer advice to managers as the workers are not conditioned to participate. Other societies have the opposite characteristics: managers welcome worker input, and workers are equally eager to make contributions. Therefore, the nature of the culture itself may have a strong bearing on whether the right type of manpower for effectively implementing MBO is actually available. This finding has been agreed by some authors, for instance Abdul Alwhab (1984), Dubrin (1997), Al Hawari (1999), Abu Nabaa (2011) and Hahn (2007).

7.4 Developing a strategic approach for applying MBO in the General Secretariat of the Cabinet in the Sultanate of Oman

The results indicate that there are optimistic opinions in favour of the application of the five MBO principles in the General Secretariat to the Cabinet. Therefore, following the discussion in the literature review of MBO models, experiences and studies, as well as the fieldwork study, the researcher in has developed guidelines for applying MBO in the General Secretariat to the Cabinet in the Sultanate of Oman. He has classified the strategic approach for applying MBO in the Secretariat as follows (see Figure 7.1):

A. Setting Objectives

- The top, middle and lower management in the General Secretariat to the Cabinet with the employees and the committees' specialists should be involved in the formulation and determination of the objectives of each directorate and department. This would help to clarify the objectives, and therefore be realistic and linked to the needs of the employees.

- The management should provide the basic information and data that are necessary to determine the main and sub-objectives accurately for officials and employees in the Secretariat, through strengthening the sources of printed and electronic information, and strengthening necessary modes of communication such as electronic networks accessible by all employees.

- The management should address the lack of clarity of objectives for the staff through meetings and formal and informal communications in the different directorates and sections.

B. Action Plan

- To meet the many challenges associated with the action plans, the plans should be formulated scientifically. Sufficient funds should be allocated throughout the year to develop and implement the action plans in all departments.

- The management should give employees more confidence with respect to the action plans, through their involvement in the development of these plans, and by determining the period of time required to implement them. These plans would then become clear to them, and thus the MBO implementation would encourage responsibility and commitment.

- The management should develop action plans that take into account aspects of human relations between the departments and sections and their employees, and between employees themselves; it should focus on the psychological, social and environmental factors which help to raise morale and increase job satisfaction.

- The management should organise several training courses on how to develop and implement action plans for each department, which would contribute to the development of creative skills and abilities. This would identify obstacles that might be expected to be encountered in the implementation of these plans, and solve many of the problems that might hinder or impede the progress of the plans.

C. Organisational Structure:

- The management should address the shortage of regulatory aspects that affect employees through the improvement and development of routine work, moving away from the administrative patterns that tend to complicate and delay the procedural aspects relating to work. It is necessary to encourage employees to

work as a team in the implementation of action plans; and to overcome the bureaucracy and the levels of the organisational structure that limit the implementation of the plans in a timely manner and in the form required.

- Concern should be shown for the development of the principle of partnership between management and employees, with the management delegating staff for some of the tasks and powers relating to their work. This would help to reduce the centralised bureaucracy and contribute to notifying employees of their independence at work.

- Provision of experts and specialists should be made in order to develop the regulations, to avoid overlap in functions and responsibilities, and to remove any misunderstandings caused by the lack of clarity in the tasks.

- Channels of communication should be opened, with ongoing discussion between management and staff, through an atmosphere of trust, cooperation and good relations. Interest should be taken in social activities, and collective communication, both formal and informal encouraged, in order to avoid the poor policies that lead to centralised goal setting and decision-making.

- Committees should be activated to solve problems by holding regular meetings among the employees and management, and by discussion of issues of duplication or overlap.

D. Periodic Review

- More attention should be given to the directorates, departments and sections to develop self-censorship in monitoring and achieving goals; this would be achieved through appropriate training courses, and regularly encouraging employees to review the progress of the desired goals and objectives, by active participation with management.

- Employees should join with management in monitoring and following up the action work which contributes to determining the appropriate standards for evaluating goals.

- The officials in the General Secretariat to the Cabinet should pay attention to following up the implementation of administrative systems, bringing in new development and appropriate systems, and connecting to global technological developments.

E. Performance Evaluation.

- The incentive system in the General Secretariat of the Council of Ministers should be activated, through the provision of financial rewards. A system should be created to reward staff who have good ideas that contribute to raising the level of performance and satisfaction.

- Employees should be evaluated the performance on their achievement of the desired goals through modern methods and appropriate evaluation of performance; these methods should be based on established criteria, to identify the suitability of the nature of work.

- Employees should be involved in the process of evaluating their own performance, which could help them to recognise their strengths and weaknesses, develop their skills, and identify the actual level of performance.

Figure 7.1 illustrates those main themes of the strategic approach to applying MBO in the Government Sector in Oman.
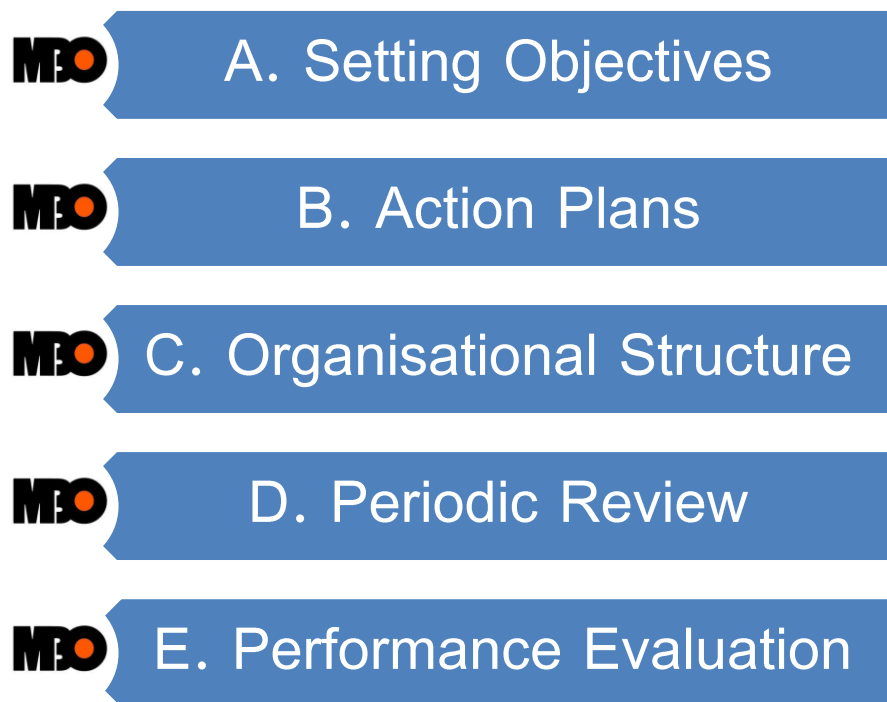
Figure 7.1: The main themes of the strategic approach of applying MBO in the Government Sector in Oman

7.5 Summary

In accordance with the aim of this study to propose a strategic approach to applying MBO in the government sector in Oman, this chapter has presented a discussion of the study's findings, comprising the views of the top, middle, lower management, and employees, and analysis of the questionnaires used, in relation to the literature reviewed in Chapters Two and Three. It has examined the implementation of MBO as an effective approach in public and private organisations. It was agreed within the empirical study that the positive view surrounding the possibility of applying MBO in the General Secretariat to the Cabinet in Oman involved five principles. However, the empirical evidence also presented several challenges such as the lack of a clear definition of the main and sub-responsibilities, lack of specific standards to control and monitor the performance of staff of various departments, lack of periodic follow-up mechanisms on reports from departments, limited availability of self-censorship among many employees, insufficient commitment, lack of teamwork between departments, lack of financial resources allocated to the action plans, and the difficulty of determining the general goals and the sub-goals, which had an negative impact on their performance.

To improve the performance among the top, middle, lower management and employees in the General Secretariat to the Cabinet in Oman, the discussion details many recommendations in the next chapter, which concludes the thesis by summarising the findings of this study offering an overall conclusion and recommendations.

CHAPTER EIGHT

CONCLUSIONS AND RECOMMENDATIONS

8.1 Introduction

This final chapter presents the main conclusions of this study in line with the aim and objectives of the research. It summarises the main findings of the thesis, including the literature review and field work findings. Practical recommendations for managers and employees are made concerning the issues involved in applying MBO in the government sector in Oman. Contributions to knowledge are highlighted. The chapter identifies some of the limitations of this study. Finally, suggestions for further research are presented.

8.2 Achieving the Aim and Objectives of the Study

The main aim of this research is *To propose a strategic approach for applying MBO in the government sector in Oman*. The aim has been achieved by addressing the research objectives as follows:

The first objective of this research was *Developing an understanding of MBO principles and theories; identifying their benefits and limitations*. To achieve this objective, a critical literature review was conducted, as described in in Chapters Two. Accordingly, the first objective has been achieved.

The second objective was: *Identifying the main criteria for developing a conceptual framework in order to apply MBO*. To meet this objective a number of key issues were identified from the international literature review's examples of best practice of MBO in Chapters Two and Three. Therefore, the second objective has been effectively achieved.

The third objective was: *Evaluating the applicability of MBO in the Omani context within the government sector*. To meet this objective a number of issues were identified from the literature review, and from primary data collected from the case study: the General Secretariat to the Cabinet in Oman. The analysis of quantitative data (Chapter Six) and discussion (Chapter Seven) of the top, middle, lower management and employees' perceptions were evaluated to assess the applicability of MBO in the Omani

context within the government sector. Consequently, the third objective has been effectively achieved.

The fourth objective was: *Exploring the challenges facing management in the government sector in Oman in order to apply the government strategy*. To satisfy this objective, intensive study of different related materials, including the international literature, was carried out as described in Chapters Two to Four. These studies helped to design the questions for the interviews and questionnaire. In addition, to achieve this objective, Chapters Six and Seven analysed, discussed and highlighted the key challenges facing management in the government sector in Oman that would have to be over some in applying the government strategy. Therefore, the fourth objective has been successfully achieved.

The fifth objective was: *Suggesting recommendations for applying MBO in the government sector in Oman*. To achieve this objective, literature resulted in an in-depth understanding of the concept of MBO, its principles, advantages, limitations, models and best implementations of MBO; this produced several recommendations for applying MBO in the government sector. In addition, Chapter Four identified the current situation of the management strategy in Oman, enhanced to provide the recommendations for the Omani context. Section 7.4 offers the final recommendations for applying MBO in the government sector in Oman within the five themes: setting objectives, action plans, organisational structure, periodic review and performance evaluation. Thus, the fifth objective of this research was successfully achieved.

8.3 Main Findings of the Study

This section provides a brief review of the main findings from the literature review and the field work study in Oman.

8.3.1 Literature Review Findings

The review of various perspectives on MBO indicated that there are key issues for applying MBO in the organisations, such as:

- MBO is used as an approach to develop the management strategy in public and private organisations, helping to increase productivity, the clarity of objectives,

the efficient use of resources, high morale and satisfaction of employees, greater development and innovation, more effective results, increased commitment and sense of responsibility among workers, active participation between the administration and staff, the development of motives and aspirations among workers, and effective performance evaluation.

- The most important principles of MBO are participation, setting goals, determining the monitoring and evaluation system, rewarding employees who achieve their goals, focusing on results, development of performance, concern for human relations, and delegation of authority and powers.

- To successfully implement MBO, there are several requirements in public and private organisations, such as support from all management levels, manpower required, individual motivations, information systems, measuring the objectives, training, incentives and teamwork.

- MBO models have concentrated on identifying goals, developing a plan of operation, undertaking periodic reviews, and evaluating performance; for example, Drucker (1954), Carroll and Tosi (1973), Robbins (1984), Odiorne (1987), Vecchio (1991), Certo (1997), Al Hawari (1999), Alhafeed (2001) and Eckstein (2009). These models show notable similarities in identifying the critical path to be followed in the MBO process.

- Most of the international experiences of implementation MBO revealed that such benefits of MBO do not occur without the efforts of management, who must seriously support MBO, believe in its principles, and do everything possible to create the right climate for its application. Targets must be realistic, communicated accurately, and the expertise needed to carry the burdens and requirements of the application must be in place.

8.3.2 Field Work Findings

The main results of the empirical study are as follows:

- There is a positive view surrounding the possibility of applying the model of MBO in the General Secretariat to the Cabinet in Oman with the five principles (themes).

- This indication results from the participants' belief that the formulation of goals is within their interest and their potential careers.

- The acceptance of participants is important in developing practical plans to implement the sections' and departments' objectives which could facilitate achievement of the goals in an orderly and timely manner.

- The top, middle and lower management and employees might suffer from the problems represented by the lack of a clear definition of the main and sub-responsibilities; they feel that the MBO model could contribute to solving these problems and lead to attainment of the management goals.

- MBO is a major approach to identifying ways of reviewing and following up the evaluation of performance to guarantee achieving the goals.

- Evaluation performance is thus an important tool to identify achievement of the general goals of the organisation, as well as the goals of individuals, and to obtain feedback for new plans.

8.4 Recommendations

Based on the research findings and the discussion, the following recommendations are offered for the top, middle, lower management and employees in the General Secretariat to the Cabinet in Oman for the successful implementation of MBO, and to overcome any challenges from the current management style. MBO as a strategic approach can only be successful in the government sector in Oman through the following recommendations for managers and employees:

8.4.1 Recommendations for Managers

- Setting and identifying the short- and long-term departmental goals by involving the employees,
- Communicating with the employees to determine ways of measuring the fulfilment of goals,
- Motivating employees in setting goals,
- Encouraging the employees to be committed to achieving the goals,
- Determining the specific time allowed for each part of the work plan,
- Deciding with employees the activities and methods required to achieve the goals,
- Considering financial, social and environmental factors for the employee,

- Organising training programmes for both managers and employees to improve their performance,
- Increasing the cooperation between managers and employees,
- Identifying the problems that might hinder achievement of the goals and work plans,
- Including the main and sub-responsibilities for the manager and employees in the regulations,
- Monitoring the implementation of work plans by carrying out the progress of expected objectives and outcomes,
- Following up the implementation of work plans by the regular meetings,
- Considering the spirit of partnership and teamwork with employees,
- Involving employees in the development of standards for performance,
- Linking the performance evaluation to the achievement of goals,
- Rewarding employees according to their achievements.

8.4.2 Recommendations for Employees

- Involvement in setting the departmental goals
- Joining with managers in clarifying the departmental goals
- Considering appropriate measurement of the progress in meeting goals
- Commitment to achieving the goals
- Collaborating with managers to outline work plans
- Supporting managers in deciding the activities required to achieve the goals
- Suggesting that work plans should include all the responsibilities and duties expected
- Involvement in setting work plans
- Choosing the methods that are important to increase cooperation with managers
- Understanding the work regulations of the department
- Involvement with managers in formal and informal communications
- Providing suggestions that could improved the work regulations
- Updating the required information about performance
- Working with other employees as teams
- Involvement in the development of performance standards for success
- Acknowledging satisfaction with the outcomes

- Acknowledging the manager's rewards for achievement.

8.5 Contributions to Knowledge

This is wide-ranging research, representing the detailed evaluation of the current situation of the applicability of MBO in the Omani context. Given its concentration on this underlying theoretical basis, the study makes an original contribution to knowledge through its provision of insights relating to a number of key aspects in applying the MBO approach, and to challenges facing top, middle, lower management and employees in terms of the implementation of this approach in the Omani government. The following contributions to knowledge are the main deliverables of the current case study:

- MBO, an important approach for managers and employees in public and private organisations, has attracted serious research in recent years and is relatively well understood within the management communities of developed countries. However, within Middle Eastern countries, MBO and MBO models are less understood, and in some developing countries including Oman have not been implemented at all. The literature review revealed that no research on MBO has been conducted within the General Secretariat to the Cabinet in Oman. Despite this, MBO is becoming increasingly significant for short- and long-term management strategy in Oman. This research is the first attempt to identify the main issues that exist in this area, such as evaluating the applicability of MBO in the Omani context within the government sector. This study has provided background insight into how the General Secretariat to the Cabinet in Oman could apply MBO principles and theories.

- This study has made an important contribution to the body of work on improving management style by examining MBO principles within a particular context in Oman. It also provides insight into how a government sector in a developing country with a different background might deal with understanding MBO's principles and implementation. The main findings of this research also contribute to the body of knowledge concerning the MBO approach in government organisations, by using the General Secretariat to the Cabinet as a case study. The study identifies the conceptual framework in dealing with the

distinctive Omani government sector which influences management strategy for MBO implementation and offers appropriate strategies that fit the environment of the General Secretariat to the Cabinet.

- The study employs multi-methods, since it includes a comprehensive literature review of MBO theories, its international models and implementation; it uses both quantitative and qualitative data from a sample of the three levels of management and the employees, using semi-structured interviews and questionnaire.

- The study is considered in proposing a strategic approach to enhance the implementation of MBO in the Omani context through providing rich exploratory insights into the perceptions and potential challenges faced by government organisations in developing countries in applying MBO.

8.6 Limitations of the Research

This study faced challenges and limitations in the collection of quantitative and qualitative data through interviews and questionnaires. While every attempt was made to achieve the aim and objectives of the research, it was not possible to control all the issues, which may affect its quality. The following are its main limitations:

- As the researcher was an employee in the General Secretariat to the Cabinet, where the field study was conducted, there was a possibility of bias from both researcher and respondents during the interviews. To overcome this risk, the researcher conducted a pilot study of the interview questions, enabling him to reduce the bias and to adopt a neutral stance while conducting the interviews. Triangulation of the interview findings with the questionnaire provided another important tool to avoid bias.

- Some of the available documents related to the management strategy, setting objectives, evaluation performance and reviewing action plans were treated as confidential and access to them was restricted; therefore, during the field study, the researcher was able to photocopy only a few documents, whereas if time had permitted he would have read them on the premises.

- During the fieldwork interviews, it was very difficult to arrange appropriate times for the interviewees and to convince some interviewees of the importance of the research.

- Several limitations were encountered in the use of the questionnaire, during its distribution, completion and the collection of the forms. Some of the managers and employees were initially unavailable during the administration of the questionnaire due to their annual holidays or other commitments. It took a considerable amount of time and effort to ensure that these respondents completed the questionnaire. This limitation was overcome by compiling the data at different times, a strategy that reduced the risk of missing some responses.

- Owing to the confidential nature of the research topic in the General Secretariat to the Cabinet, it was initially not possible to conduct the study or to obtain any official information from the managers and employees. To overcome this problem, the researcher obtained official permission by interviewing the Deputy Secretary General at the General Secretariat to the Cabinet and explaining the purpose of the research.

- The final limitation is that it was not possible to make audio recordings of the interviews, as some interviewees were afraid that their recorded views might be held against them. Even though the researcher guaranteed their confidentiality, using their views only for the purpose of this research, they still preferred not to be recorded. The researcher overcame this limitation by writing down as much detail as possible of the information and opinions.

8.7 Recommendations for Future Research

The main purpose of this study was to fill an existing gap in the literature by proposing a strategic approach for applying MBO in the government sector in Oman; this was done by identifying the main criteria for developing a conceptual framework in order to apply MBO, evaluating the applicability of MBO, and exploring the challenges facing

management and employees at the General Secretariat to the Cabinet. During the study, some issues were identified for further research. These are listed below:

- A reasonable addition to this study would be to test the practicality of the research findings. Further research is required into the practical implementation of the proposed strategic approach of MBO principles. An evaluation of the proposed MBO approach would add value to its real-time implications and may increase the management and employees' productivity, thus improving the level of performance in regards to achieving the organisation's objectives.

- This examination adopted a single case study approach, as mentioned above. An important opportunity for further research within organisations of a similar nature may exist in Oman and in some of the other five Gulf Cooperation Council countries in order to expand the findings of this study by conducting multiple case studies. Consequently, further work could be significant to compare and differentiate the results from more than one organisation.

- Variables relating to levels of education, experiences and occupation, were identified in the literature but not considered in this study; these should be incorporated into future research with the cultural factor and its impact on management strategy in any developing country.

- This research has identified several factors related to applying MBO that need to be considered further in promoting the successful implementation in the government sector in Oman. Further research is needed to investigate the most appropriate factors to promote this implementation in private sector organisations.

- The study has highlighted a lack of communication which could be a challenge. However, communication is very important in implementing MBO. It would therefore be interesting to carry out a deeper study of communication, particularly regarding the contact between managers and employees.

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APPENDIXES

Questionnaire Management by Objectives and its Applicability in the Government Sector in Oman

Dear participant,

The present study aims at exploring the possibility of applying the model of Management by Objective at the government sector in the Sultanate of Oman as perceived by administrators and officeholder staff working. This is a part of a study to obtain a Doctoral of Philosophy (PhD).

The study requires collecting data from management and employees who work in the government sector. For this purpose, this questionnaire consists of two parts; the first is designed to collect information related to the demographic characteristics of the participants, while the second part solicits their position on a number of statements that are related to the applicability of Management by Objectives.

Please complete the two parts of the questionnaire by ticking (X) the right column in front of each item. Elicited information will be used exclusively for research purpose. Before answering the present questionnaire, a definition of the Management by Objectives model will be provided in following paragraph.

> *"Management by Objectives is considered to be one of the new models presented in modern organization management. The aim of its application is to improve performance and to increase the participation of management and employees in articulating the general and instructional objectives of the departments. Besides, it aims at estimating the allotted resources and time limits, and determining the expected level of productivity of every employee so that she or he become bound to live up to that agreed –upon expectation. This includes also a follow –up plan and the annual evaluation. These are used for re-planning the objectives and work activities"*.

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1- Position: ☐ Top management   ☐ Middle management
              ☐ Lower management   ☐ Employee

2- Age: ☐ 25 years and less   ☐ 26-36 years   ☐ 37 years and more

3- Sex: ☐ Male   ☐ Female

4- Nationality: ☐ Omani   ☐ Non- Omani

5- Qualification:
        ☐ Secondary Or Less   ☐   Diploma After Secondary
Bachelor
        ☐ Diploma   after   University ☐   ☐ Master
Doctorate

6- Experience: ☐ 5 years and less   ☐ 6- 10 years   ☐ more than 10 years

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Section Two: main steps in applying Management by Objectives model.

Guidance: Please express your opinion regarding the applicability of the following steps in your department by ticking the appropriate box that precisely reflects the degree of applicability of each statement.

Key: Please note that 5= most applicable, 4= applicable, 3= moderate applicable, 2= fairly applicable and 1= not applicable.

No.	Statements	Most applicable	Applicable	Moderate	Fairly	Not applicable
Setting Objectives						
1	The objectives of the government sector must be clear and defined to the top management and the employees					
2	The employees must participate with the management in articulating and sitting the objectives					
3	The management should formulate the objectives with the employees accurately, precisely and measurably					

4	The management and employees should specify time limits for accomplishing the objectives					
5	The employees in cooperation with the management should be committed to achieving the agreed –upon objectives					
6	The management with employees should regularly (annually for example) review the objectives in the light of market requirement					
Action Plan						
1	The management in collaboration with the employees outlines a clear work plan.					
2	The management in cooperation with employees determines time limits for each part of the work plan					
3	The plan must specify the methods of achieving the objectives and consider the financial, social and environmental factors that help its success					
4	In designing the plan, the management must consider the psychological and social needs of the employees					
5	The plan depends on clear and accurate data and it includes all responsibilities and duties expected to be carried out by the employees					
6	The plan contains training programs for the management and employees					
Organizational Structure						
1	The management outlines regulations that organise work in departments					
2	The regulations should include the main and sub responsibilities for the management and employees					
3	The management in collaboration with employees should identify any overlap of assignments					

4	The management in teamwork with employees should specify duties that might be delegated					
5	The management provides opportunities for formal and informal communications					
6	The management provides systems involving specific rules for submitting suggestion and complaints					

Periodic Review

1	Monitoring the implementation of the plan is carried out in the light of expected objectives and outcomes					
2	The management and employees must meet on a regular basis for following up the implementation of the plan					
3	The management provides all information about the organisation performance for employees					
4	The management encourages employees to revitalize self-accountability and responsibility					
5	The management in cooperation with employees analyzes the work –related data for following-up the accomplishment of objectives					
6	The management considers on broadcasting the spirit of partnership and teamwork between the employees					

Performance Evaluation

1	Performance appraisal is to be linked only to the accomplishment of objectives					
2	The management should care about employees' satisfaction regarding the work outcomes					
3	The employees should participate with management in their performance appraisal					
4	The performance evaluation lead to determine the needs of rehabilitation and training for the employees					

5	The management reward employees according to their achievements					
6	The management acknowledge and appreciate the employees new ideas that help to improve performance					

Interviews' Questions

Themes	Interviews' Questions
Setting Objectives	Q1. From your perspective, what are the challenges that face the management and employees which are related to the objectives? Explain your answer
Action Plan	Q2. From your view, what are the challenges that face the management and employees which are related to the work plans
Organizational Structure	Q3. From your opinion, what are the challenges that face the management and employees which are related to the organizational structure?
Periodic Review	Q4. What are the challenges that face the management and employees which are related to the periodic review?
Performance Evaluation	Q5. What are the challenges that face the management and employees which are related to the performance evaluation?