

Management by Objectives for Better Management Effectiveness in the SAF

by LTC Low Yee Kah and the MINDEF Project Group

Management is defined as, "The process of planning, organising, coordinating, directing and controlling resources such as men, materials, time and money to accomplish the organisational mission."

Commanders in the SAF are also managers. They are involved in all types of organisational activities. As it is not possible for commanders to personally supervise every activity, they delegate authority to subordinates to assist in the accomplishment of the missions of their organisations. Of the resources available, manpower is the most important as it is the foundation for the employment of the other resources. Thus, the SAF must adopt a management approach which aims at achieving organisational and personnel's needs in the most effective manner.

Some Weaknesses of Present SAF Management Approaches

We shall firstly look at some of the problem areas in our current management style. They are:

- **Lack of participative management.** We have lately been emphasising the need for participative management, teamwork, Work Improvement Teams and the productivity movement. All these aim to create a more open and participative management style in the SAF. Generally speaking, our management environment is still non-participative.
- **Lack of dialogue and feedback.** The degree of communication varies with individuals. We do not have an institutionalised periodic feedback system. In an organisation like the SAF, communication is absolutely vital and we must constantly seek new ways and means to improve the climate. A message from the top sometimes ends up muddled as it goes down the chain. This creates confusion and unhappiness when people interpret the message wrongly.
- **Lack of continuity and long-term directions.** Owing to the fast rate of staff turnover and an unclear picture of long-term goals, we often lack continuity in our projects, ideas and policies. Crisis management is therefore resorted to at all levels and each person is fighting his own "crisis".
- **Lack of individual attention.** Generally, we have not been paying much attention to the development of the individual. As a result, the officers feel left out of the system. Our current emphasis on personnel development would in the long-run help to ease this feeling.

MBO as a Management Process

Management by Objectives (MBO) as a concept has been practised for the past 30 years. Although MBO is a familiar management term in the private sector, it has been used sparingly in the public sector and the armed forces.

In MBO, effective planning depends on every manager having clearly defined objectives that apply specifically to his or her functions. Each objective must also contribute to the objectives of higher management and of the organisation as a whole.

How these objectives are arrived at is of crucial importance. As Peter Drucker, a leading management expert points out, managers must either set their own objectives or at the very least, be actively involved in the objective-setting process. Imposing pre-determined objectives on managers runs the very real risk of either refusal to cooperate or half-hearted attempts to implement "someone else's" objectives.

In addition, Drucker suggests that managers at every level should participate in setting the objectives of levels higher than their own. In this way, they can get an understanding of the broader objectives of the organisation and how their own specific objectives relate to the overall picture. This relationship of each individual's objectives to the common goal is of primary importance. The main purpose of implementing MBO is to achieve an efficient operation of the total organisation through the efficient operation and integration of its parts.

When the MBO process is used, the emphasis is on trying to predict and influence the future rather than on responding and reacting to day-to-day problems. It is also a "result-oriented" approach which emphasises accomplishments. The focus is generally on improving both individual and organisational effectiveness. It is a process which requires increased participation in the management of the affairs of the organisation at all levels. Its participative management styles is one which is consistent with the needs and demands of today's society

How SAF Can Benefit from MBO

The strength of MBO lies in the simplicity of its premises that:

- The clearer the idea of what one wants to accomplish, the greater the chances of accomplishing it.
- Real progress can only be measured in relation to what one is trying to make progress towards.

In other words, if one knows where one is heading, one finds it easier to get there, one get there faster and one will know when one reaches there.

The SAF can benefit from adopting MBO in the following areas:

- **Direct activities towards common goals.** The primary pay-off is joint goal setting with clear ideas of common agreed goals between subordinates and superiors. Individuals can hence direct their activities toward the achievement of the goals.
- **Motivation.** Through jointly agreed goals, the individual will be self-motivated to achieve these goals. Unfortunately, motivation is a much more complicated concept. There are many factors affecting motivation. MBO is therefore only one factor that can help to motivate.
- **Reduces role conflict and ambiguity in assessment.** Through MBO, superiors and subordinates will have a better understanding of the subordinate's job and its main responsibilities. This will reduce conflicts and give a better perception of the nature of the job.
- **Provide more objective criteria to develop individual potential.** In terms of career and individual development, MBO will provide a clearer picture of the individual's strengths and weaknesses. Thus the SAF will be better placed to develop its staff and ensure that they are given jobs within their capabilities. This will benefit both the SAF and its staff, resulting in a more efficient and productive SAF.
- **Job satisfaction.** With clear goals, the individual's activities will be systematically directed and he will get satisfaction in seeing the directions of his efforts. Unproductive "going-round-in-circles" will be minimised as energy is concentrated on clearly agreed objectives.
- **Improve communication.** MBO requires frequent dialogue between superiors and subordinates, fostering mutual understanding. These will lead to better communication in the organisation.

Consideration in Introducing MBO

Because of the absence of the profit motive, an organisation like the SAF must be managed somewhat differently from those in the private sector. The key issue is whether MBO, which is believed by many to depend on the discipline of a profit and loss statement for successful operation, can be adopted by an organisation that must ultimately measure its success in terms of improving the level of combat readiness and efficiency. There are some pitfalls in the SAF which must be overcome before we can adopt the MBO system.

- **The Objectives Problem**

This is the cornerstone of the MBO programme. Because we lack the profit maximisation and return-on-investment objective, we can have problems quantifying objectives. However this is more apparent than real. We must accept that not all job responsibilities can be easily quantified. However, this is not the reason to discard the MBO concept. Private organisations face the same problems when they try to establish goals and objectives for the managers and subordinates involved in managerial and administrative work. However, they have devised various measures to set goals and objectives for them. And it works!

- **Top Level Commitment and Professional Training**

Without top level commitment and a proper understanding of the concept and philosophy of MBO, we will face problems in its implementation. MBO is not simply setting objectives and leaving it to the subordinates to realise the objectives. That is not MBO: it is authoritarian management! MBO encompasses the concept of participative and jointly agreed goals, with regular and systematic management of the subordinates' activities towards the achievement of these goals. The onus is not left entirely to the subordinate but shared between the boss and the subordinate. Appropriate training must be given before we can embark on the MBO approach effectively.

- **Lack of Time and Resources**

A frequent problem with management in the SAF is the complaint of lack of time and resources. The reasons and causes for these complaints vary with individuals. We have to be realistic and accept the limitations. The issue of time management is more difficult. MBO will definitely require more time, effort and paperwork in setting goals and objectives. However the time spent on these activities will enable us to better manage our 'future' time and not waste them on extraneous activities.

- **Decreasing Behavioural Barriers**

Misunderstanding and fear of participative management and open dialogue on goals and objectives must be reduced. A frank and open atmosphere is needed for MBO to survive.

- **Flexibility**

MBO should not be made rigid as to preclude discussions or activities outside the stated responsibilities. In fact, MBO should trigger other *ad hoc* discussions on important matters and activities necessary for the success of the organisation.

The MBO Process

The principal considerations in managing by objectives are summarised in the following seven major steps:

- *Step 1* Review of principal areas of responsibility.
- *Step 2* Determine problems, needs and priorities in each area.
- *Step 3* Determine:

(a) What needs to be improved?

(b) How to achieve the improvement and what must be done.

(c) A timetable for doing what needs to be done.

(d) What results he should be able to achieve and to express in quantifiable terms if possible.

- *Step 4* Review with the superior for agreement.
- *Step 5* Communicate with those who need to know what he is doing.
- *Step 6* Implements his plans.
- *Step 7* Review and report his progress regularly.

Objective setting is the most crucial step in the MBO process. Before attempting to formulate the objectives, we have to plan the objective setting. The considerations for setting objectives are as follows:

- What is needed to fulfil the main job responsibilities today? Express it in quantifiable terms such as quantity, quality, cost, time or other identifiable standards.
- What is needed to fulfil the responsibilities tomorrow? Express in quantifiable terms as above.
- What function or activities should be eliminated? Challenge each in terms of "What does this contribute to the organisation's goals?"
- What new functions or activities, etc, are needed today? Ask "What identifiable needs or problems are not being satisfied by what we are doing?"
- What changes are needed to accomplish the objectives we are setting? More or less manpower? Changes in functions? Changes in methods or system?
- What measurements will be needed to determine how well we are performing our work with related departments? What objectives do we need to set in our work with the related departments?

An example of setting objectives for key activities of a principal area of responsibility is shown at [Table 1](#)

Once the responsibilities/activities and objectives are mutually agreed, the superior must regularly supervise the subordinate in the accomplishment of the goals. There must be periodic reviews to change goals/objectives in view of changes in resources and circumstances. The goals and objectives can change along the way. This is management as opposed to total delegation of responsibilities.

Conclusion

MBO is an approach to management that depends on the identification of the organisation's and an individual's objectives for a given period. It relies on defining end results, identifying the areas for improvements, planning action to achieve improvements and reviewing the outcome of the action. It motivates individuals to achieve and strengthen the subordinate-superior relationship. By introducing MBO in the SAF at the appropriate levels, commanders will jointly identify and set objectives which will be developed into a workplan. Achievements of goals set or amendments as necessary, are frequently discussed between superiors and subordinates in a congenial manner that promotes teamwork. The success or failure of the subordinates reflects on the management and the leadership of the superior.

MBO will overcome many shortcomings of the present SAF management approaches such as the lack of participative management, the lack of continuity, the lack of individual attention, the lack of dialogue and a subjective performance appraisal system. It is clearly a system that will benefit the SAF and commanders at different levels in many ways. It is a management process that the SAF should adopt.

Reference

1. **SAF Project Group Papers**
2. **Cuming, Maurice W., *Theory and Practice of Personnel Management***
3. **Butteries, Margaret, *New Management Tools***
4. **Flippo, Edwin B., *Personnel Management***

5. Drucker, Peter F., *Management for Results*

6. Drucker, Peter F., *The Practice of Management*

7. Humble, John W., *Management by Objectives in Action.*

BG (NS) Low Yee Kah is presently the Senior Vice President / General Manager of Unicorn International Pte Ltd, a subsidiary of the Chartered Industries of Singapore.