

Critically evaluate Ducker's MBO and assess its usefulness in the public sector

The concept of the MBO system was firstly created by Peter Drucker in the mid 1950s. It was widely used and had a long and deep influence in the managing field of all professions and trades. Based on Peter Drucker's concept, the MBO system mainly brings various advantages to the management of the public sector. It can not only allow the employees take part in the goal setting process, but can also motivate them to improve the efficiency when participating in challenging tasks. In addition, the MBO system can also create tacit agreement and better cooperation which can benefit a long-term development. It has to be conceded that although there are some disadvantages, for example, the system should be systematically done, and it may also be resented by subordinates causes they may be stressful when setting goals with the manager. However, the benefits outweigh the disadvantages. It will argued here that the MBO system is widely applied in the public sector and truly benefits it. The essay will evaluate the applicability of MBO system in the public sector, it will critically evaluate the disadvantages of MBO at first, then it will show the advantages in government's goal accomplishment, protection of the power of democracy and laws, improvement of national happiness index and setting up evaluation system.

Some opponents claim that the MBO system cannot be applied in the public sector, for four main reasons. First, they say that based on Drucker's theory, the system must be systematically applied, or it will lead to the missing links, which may damage the working process in some situations. Second, it is claimed that MBO does not consider the available sources and presentation, in addition, it may have bad influence on the cooperators. A suitable example of this can be seen in the argument made by Brunson (2002), during the original use period of the MBO system, the opposite effect appeared as nearly none of the Swedish government officials were willing to take charge of the task, because they knew the difficulty of it. The existence of the MBO system was controversial and most political leaders refused to tolerate it. (Ibid.) Third, the goals set by the MBO system in public sector may be difficult to achieve. Murphy (1983) argues that the circumstances of the society are changing constantly, therefore, the goals change as well. Since the employees cannot reach their initial goals, they cannot obtain the promised reward smoothly, which adds burden to organization. Thus, it would be hard to motivate the employees to improve the efficiency. Finally, the managers begin to force the employees to achieve the best standard of developed by MBO. As a result, they ignore the demand of the workers, which will encourage their discontent. It can cause dissatisfaction and expand the sense of distance between managers and their subordinates.

However, although there may be some small negative effects when the MBO system is applied in the public sector, the advantages of it outweigh these. Based on Drucker's theory, the MBO system could applied at all levels of organizations. In addition, this system can also motivate the employees by rewarding them with the meaning of their work. Employees would obtain a sense of meaningfulness based on the implementation of MBO. According to Drucker (1976), the system which has been used in the government management for a long time in the world spreads more widely at present. The theory forces the administrators to identify the target and goals and improve the efficiency of the organization, not merely establish the empty policies. Kurzynisky (2012) states that employees would find their

values, responsibilities and qualifications as a part of the society when the MBO system is used in the public sector. Furthermore, it would also benefit the management of human resources. According to Aksoy and Bayazit (2014), although the MBO system seems unpopular in the past few decades, data collected has shown that the system are still applied in the management of the public sector. Although it is difficult for middle level managers to accept the emotional response of high level managers at first, the employees are motivated and behave more creatively with the improvement of specific target market and the credibility of management. Therefore, the MBO system helps expand business line in public sector and promote communication between different levels.

Apart from the impact of motivation, the MBO system can maintain the advantages of democracy and the rule of law. In this sphere, it encourages the development characteristics of managerialism and promotes the national happiness index as well. According to Aoki and Tay (2015), Singapore had a popular concept of narrow democratic countries, which means the government has the right to intervene in almost all the aspects. Deeply influenced by high power distance in Asian culture, Singapore used to be criticized due to the problems of individualism and freedom of speech. However, the situation changes after the MBO system was introduced and applied in the management of government and political sphere. During the period of carrying on PBM and SCS, which are two specific management methods derived from the MBO system to evaluate the employees, staff in government are more motivated and dare to raise different objections. The approach of PBM successfully implemented redistribution of power and expand the scope of political participation. As a result, democracy and laws for society are continually improved as more enlightened voices from underlying have been adopted. Therefore, it is easier to improve the national happiness index. Based on Cooper (2013), MBO's contribution to human resource is ignored by the public in most situations. Cooper stated that according to the implementation of MBO system, stress management among employees has been eased and more creative working environment has been created (Ibid). These are all foundations of more valuable life and management agenda. The national happiness index move towards objective with the development of the cultivation and maintenance of talents.

In addition to assisting in developing democracy and improving national happiness index, the MBO system is an appropriate tool to evaluate employees in public sector as well. Kyriakopoulos (2012) revealed that the MBO system could be widely used in nursing, healthcare, hospital pharmacy and hospital management. Executives sets long term and short term goals with subordinates and do regular inspection as a supervisor. Therefore, an evaluation system could be generally improved, which would improve the efficiency of a hospital and encourage better communication and cooperation with other social organizations. According to Zhou (no date), measurement of performance is an essential part of management agenda. Taking China as a valuable example, there are three main stages about the development of the MBO system in China. First, during the period of planned economy led by Chairman Mao, the objective of government changes constantly and the economy was at a low level. Thus, it is impossible for the superior to measure the performance of subordinates regularly (Ibid.). As a result, government developed strategies mainly based on subjective judgement, which often leads to serious consequences which are irreversible (Ibid.). Second, in the early 1990s, the ORS form derived from MBO system was introduced to the management of public sector, situation has improved and the rapid

economic growth happened. Performance management was improved and human resources developed. More talents are adapted and more scientific decisions are made (Ibid). Finally, with the wide application of MBO system in contemporary China, the governance model and the power distance between different levels are continuously changing, the measurement of performance becomes more complicated and is divided into several parts. In addition, the management system tends to be perfect after decades of development (Ibid).

It has been demonstrated in this essay that the MBO system is an advantageous sort of management in public sector and it still has wide applicability. The strong evidence shown by Drucker proved that the system is an effective tool to assist the social organizations to identify the target and goals. The MBO system has four main advantages. First, as Kurzynisky (2012) suggests that the MBO system provides an effective way to motivate the employees by making them aware of the importance and meaning of their jobs. Second, from the strong evidence shown by Aoki and Tay (2015), it is a strong protection of democracy and the authority of laws. Third, the system has potential to improve national happiness index and reduce the pressure of employees from violent management (Kyriakopoulos, 2012). Finally, according to Zhou (no date), it could help to evaluate subordinates of different organizations from public sector. Overall, the MBO system is widely applied and it is highly recommended in public sector.