



## Conference Abstract

# Is Management by Objectives (MBO) still relevant?

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## Abstract

Performance management is “a continuous process of identifying, measuring and developing performance in organizations by linking each individual’s performance and objectives to the organization’s overall mission and goals” (Aguinis 2023). One of the most known strategic approaches within HR and PM practices, is the Management by Objectives (MBO), which can lead to better alignment with organizational goals and improved performance metrics (Schmidt et al. 2017, Farndale and Kelliher 2013).

This communication, a hybrid of a literature overview and position paper, will examine the potential relevance of the MBO model - which was popularized by Peter Drucker back in 1954 - today in 2024; after 70 years after its introduction.

The MBO model is in fact a strategic management approach mostly based on the collaboration between supervisors and employees in defining clear, measurable, and achievable organizational goals (Drucker 1954) .

We will synthesizes various scholarly works to explore how MBO’s fundamental components – goal setting, participatory decision-making, action planning, periodic review, and performance appraisal – continue to positively impact employee behaviour and output in modern performance management practices (George et al. 2021, Starbuck 2017) .

This would includes overviewing studies that examines other approaches designed to enhance organizational effectiveness and employee performance, including the Balanced Scorecard introduced by Kaplan and Norton (1998), the concept of 360-degree feedback widely used for their ability to provide comprehensive evaluations (Garavan et al. 1997,

Gruman and Saks 2011), as well as Objectives and Key Results (OKRs) introduced at Intel and popularized by Google (Schleicher et al. 2018), along with and Agile Performance Management which combines principles of agility, flexibility, with frequent feedback, and goal-setting (Poister 2010).

The aim is to provide a comprehensive understanding of MBO's legacy and its potential adaptability to modern business challenges and technological advancements so as it aligns with contemporary organizational performance management practices.

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## Hosting institution

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## Conflicts of interest

The authors have declared that no competing interests exist.

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