

Bhagwat Gita rightly elucidates ‘Management By Objectives’

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Abstract:

Peter Drucker’s revered work is “Management By Objectives” or MBO. MBO is a process whereby superiors and subordinates jointly identify its common goals, define each individual’s majority of responsibility in terms of the results expected of him, and use these measures as guides for operating these units and assessing contribution of its members. In simple term the assumption is that what gets measured gets done. Modern management guidelines stipulate that one must put in result –oriented effort and ensure maximum success. It propounds “MBO”. Management By Objectives –which essentially lays down, in advance, expected objectives to be achieved by one and against which one’s actual performance is achieved. Thus, the eye is focused on the result while doing the assigned work. Seemingly, MBO seems incongruous with the philosophy of Bhagwat Gita, if not altogether contradictory. But, there is no contradiction. Management is speaking about objective result and organizational goals, the Gita speaks about subjective returns and personal gains. When the eye is focused without “I” the results and the contributions are the best. Then, one would reap the consequences of his work without any bondage because “I” attachment is not in the picture.

Key words: MBO, Gita,

Introduction:

Management by objectives is a systematic and organized approach that allows management to focus on achievable goals and attain the best possible results from available resources. It aims to increase individual and organizational effectiveness by aligning organizational goals and subordinate objectives. It clarifies and quantifies objectives to allow for monitoring, evaluation, and feedback throughout the hierarchy of objectives.

MBO emphasizes the importance of objectives as a tool to be used by managers in fulfilling their managerial roles. Peter Drucker stated that for the business to succeed, the managers and employees must work towards a common goal. Managers must identify and agree targets for achievements with subordinates. Managers must negotiate the support needed to achieve the target with subordinates. Objectives also need to be evaluated overtime.

The term ‘management by objectives’ was first popularized by Peter Drucker in 1954, in his book: ‘The Practice of Management’. The essence of MBO is participative goal setting, choosing course of action and decision making. An important part of MBO is the measurement and the comparison of the employee’s actual performance with the standard set. Ideally, when the employees themselves have been involved with the goal setting and choosing the course of action to be followed by them they are more likely to fulfill their responsibilities.

MBO principles-

- Cascading of organizational goals and objectives
- Specific objectives for each team member
- Participative decision making
- Explicit time period
- Performance evaluation and feedback

Critical analysis:

Despite the fact that the concept of MBO has by this time become an integral part of the managerial process, the typical MBO effort perpetuates and intensifies hostility, resentment, and distrust between a manager and subordinates. The concern for having superior-subordinate consider the same matter in reviewing the performance of the latter is eminently sensible. The effort to come to common agreement on what constitutes the subordinate’s goal is highly desirable. Yet, MBO as a process is one of the greatest of managerial illusions because it fails to take adequately into account the deeper emotional components of human psyche. It is essential to indicate that MBO, as it is currently

practiced in most organizations, is self-defeating and serves simply to increase pressure on the individual. By doing so, one is not rejecting either MBO or performance appraisal out of hand.

The higher a person rises in the organization and the more varied and subtle the work, the more difficult it is to pin down objectives that represent more than a fraction of his or her effort. Another problem is that as one moves towards a service society, in which tasks are less defined but spontaneity of service and self –assumed responsibility are crucial. One also has to take into account the increasing interdependence of managerial work in organizations. Thereby, the more employees' effectiveness depends on what other people do, the less any one employee can be held responsible for the outcome of individuals. In addition this should take into account the relationship of the subordinate's job to other jobs. Sometimes, the setting and evolution of objectives is done over too brief a period of time to provide for adequate interaction among different levels of an organization. Major reason appraisal failed was that superiors disliked playing god by making judgments about another person's worth. Every organization is a social system, a network of interpersonal relationships. A person may do an excellent job by objective standards of measurement, but fail miserably as a partner, subordinate, superior, or colleague. It is a commonplace that most people fail to be promoted for personal reasons than for technical adequacy.

However MBO hasn't been much successful. The problem with MBO is that the approach isn't properly set, agreed and managed by organizations, self-centered employees might be prone to distort results falsely representing achievement of targets that were set in a short term, narrow fashion. In these cases, MBO has often proven counterproductive. According to some thinkers MBO is not just difficult to implement but companies who try doing that often end up over emphasizing control, as opposed to fostering creativity to meet their goals.

The modern approach to management is by the way of separation. First organizations are separated from the society and then the various departments are separated from the organizations. The supreme emphasis is laid on processes, rather than people, to attain

maximum profitability at all costs. As a result, while there are many successful institutions, people are more or less ignored. The idea is that profitability is the highest objective of organizations. While profitability is very much important, by defining it as an ultimate objective to be achieved at all costs, organizations are often stripped of its moral, ethical and human values. As a result, there are scores of profitable enterprises while economies stagnate and societies and its citizen suffer. This is exactly the case with modern day USA, US and Europe. This also reduces altruistic ideas and ideals like corporate social responsibility (CSR) to insignificant levels in corporate view. Therefore, in many ways its modern view of management is the source of most-if not all- ills facing the mankind, today, since it makes organizations infested with individual egos and greed.

Learning from Bhagwat Gita:

Bhagwat Gita proclaims that man is an integral part of the global family- Vasudhaeva Kutumbakam. While any person has the right to determine his individual choices, he must do it in a way not to harm others. Also, the law of karma is seen as the law of nature. It suggests that every action of an individual leads to set of consequences. Therefore, it is called the path of peaceful coexistence. This path is called Karma Yoga. While need is accommodated in this path, greed is defined as a vice and therefore must be shunned since it leads to catastrophic consequences.

At the intricate level institutions are regarded as ideas designed to further the need of people not just working within it but living outside it. Therefore, institutions can never be greater than collective individuals working and running for it. Institutions therefore have three objectives, namely: sustaining, nourishing as well as enriching people in a way deserving of their efforts.

Bhagwad Gita view of life is that it's the intentions that shape the efforts and, then, it's the efforts that shape the result. By separating individuals from institutions, and institutions from society the modern view of management has only wreaked havoc not just on economy and society but ecology as well. When selfish people are put in places of power they'll take every opportunity available for betterment of society to achieve

their own greed. The conundrum the world economy is in today owing to such selfish people in echelons of power. When American economy was on the verge of collapse the selfish people made personal gains of preposterous level. While people lost their years of savings, these individuals took millions in performance appraisals.

While modern management lays emphasis on power for key people, Gita perspective on management's emphasis is on credibility before deliverance of power and strict accountability after that. The objective of the organization isn't just profitability and prosperity of not just its leadership or people, but also entire mankind. Of course, profit has to be the primary concern of any business: without profit, it is impossible to carry out any other activity for the welfare of the society at large. However, there are two overriding criteria which assume significance in this context. While profit may be overall objective, the methods employed to achieve profit have to be above board they must be ethical and moral. Secondly, having achieved profit, the company must look around for ways and means by which it can return to society some endowments for the welfare of everyone. The summum bonum of every enterprise is the lofty and noble objective it seeks to serve in and for the society in which it subsists.

Why does Gita emphasize actions and responsibilities? How can one become motivated to carry out one's responsibilities if there is emphasis on rewards? Many people are drawn towards leadership positions because of rewards like money and power associated with those positions. Most companies motivate their workers by enticing them with rewards based on rewards and objectives. Many corporations practice the result oriented approach known as Management by objectives (MBO) to reward their workers.

The sum and substance of Gita approach as explained by S.K.Chakraborty is that such of us who have some care and concern for India's good, with a sense of responsibility towards posterity, must appreciate that India's genius has always a priority and pride of place to "subjective purification", and not "objective quantification".

Swami someswaranada asserts that profits are a must for a company but the method of earning it should to serve maximum number of people in a better and still better way. He believes that Gita tries to solve the problems of business by solving the problems of the

people because real power lies with the people, not with money or knowledge and a businessman should think in terms of giving a lead and direction to the industry with a mission to help the country to grow because our growth is sustainable when we grow along with others.

Shiv K. Tripathi did a conceptual study to identify ways to supplement western framework of management principles and functions by incorporating the principles of three paths of human salvations recommended in the Bhagwat gita. The framework developed by the study advocates the pre-eminence of knowledge, knowledge of organizations self and laws of nature is required to achieve excellence in action, action which is for the gain of the whole creation and which should not contravene the laws of nature.

Sudhakar Reddy undertook a conceptual study to highlight the relevance of the Bhagwat Gita to business practices. On examining the modern management concepts in the light of Gita , he identified the fact that to attain the management objectives, one has to follow the advice of Gita to handle the business issues from the grassroots level of human thinking because once the basic thinking is improved, it will automatically enhance the quality of the actions and the results.

Conclusion:

Management by Objectives is considered to be the core. One knows that the objectives emerge from desires, but desires are confusing. Most of the time desires are tagged with ethical issues. Conviction in the desire is primary. Objectives would define the process- the methods and the organization activities for achieving the same. The concept of business management is dominated by business objectives- maximization of profit. Yet it also involves wealth creation, inclusive growth, environmental issues and above all ethical considerations.

Bhagwat Gita involves a holistic understanding of man-material-life including all special and temporal considerations. Management and business management is a part of this holistic understanding helps managers and business managers. The context of Bhagwat

Gita transcends time, the war context is allegorical and is applicable without limitation of space and time. In other words, it is highly relevant today as guide for questions of management and business management. Sva-dharma of Gita means literally own dharma and has been translated as own duties and particular responsibilities. Sva-dharma is unique to a person. Lok-samgraha, which could etymologically be analyzed as holding together the world, includes selfish action done for public good. According to Gita, the highest form of Sva-dharma is performing self less duty for the rest of the world or Loksamgraha. Bhagwat Gita advocates a consciousness and a spirit- centered approach to the subject of ethics based on eternal values and moral principles that should govern the conduct of managers. The teachings of the Bhagwat Gita no wonder, have stood the test of times.

The purport here is not to suggest discarding of the western concept of Management by Objectives, but to tune this concept to the holistic attitude of “lokasangraha” – for the welfare of many, for the good of many. There is indeed a moral dimension to business life. What one does in business is no different, in this regard, to what one does in one’s personal life. The means do not justify the ends. Pursuit of objectives for their own sake is ultimately self-defeating. The message of Bhagwat Gita is that either one can perform one’s actions with attachment thinking that one is the doer or one can perform the same without attachment. The unattached performance of actions has been called Yagna or Karma Yoga in the Gita, which will not only fulfill all desires but lead to inclusive satisfaction and growth. The Bhagwat Gita , written thousands of years ago, enlighten us all on all managerial concepts leading us towards a harmonious and blissful state of affairs in place of the conflicts, tensions, poor productivity, absence of motivation and so on, common in most organizations.

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