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CERTIFICATION

We, the undersigned hereby certify that this project titled "**Management By Objective as an Instrument for Organizational Performance**" (A case study of First Bank Plc, Auchi Main Branch, Edo State)" was carried out by **OKONOFUA ESTHER OSAS** with Matric **No. SBS/2041952378,** under our supervision in the Department of Business Administration and Management, Auchi Polytechnic, Auchi, Edo State.

We therefore certify that the project is adequate both in scope and quality and is submitted to the Department of Business Administration and Management in requirements of the award of Higher National Diploma in Business Administration and Management.

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DEDICATION

I dedicate this project work to God Almighty for His guidance and inspirations during my academic pursuit.

May all the praise, honour, glory, adoration and love be acceptable to you father, in Jesus name, Amen.

I also dedicate this work to all those who have contributed to my knowledge.

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TABLE OF CONTENTS

ABSTRACT

The study examined management by objective as an instrument for organizational performance a case study of First Bank Plc, Auchi main branch, Edo State. The objective of the study to determine participation of both managers and employees setting of gal in the organizational level. However, there have been certain individual who have long placed emphasis on management by objective and so have given impetus to its development as a system. Management by objective prefers to a structured management techniques of setting goals for any organizational unit. The major problem of this study is that management of banks in Nigeria lack sufficient techniques to make them manage effectively some of this tools are not used and when they are used not well utilized. In this study, the descriptive survey design was adopted. A population 25 staff of First Bank Plc, comprising top management, middle management and junior staff was administered the questionnaire. Based on the findings, the research found out that good and prompt salary, promotion as when due improve performance of the workers. It is concluded that alot of positive implication and relevance management by objective to modern day management of organization especially in Nigeria. The recommended that managers should consult his subordinate in drawing up objective which goes up the hierarchy from where it modifies, collected approved and distributed throughout the organization.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Management needs a lot of tools to be able to administer effectively in the day to day running of the business. Management by objectives is one of such tools. It is a way of getting improved results in managerial method whereby the superior and the subordinate managers in an organization identifies majors areas of responsibility, in which they will work. Set some standards for good or bad performance and the measurement of results against standard (Derek 2009). Management by objectives is also called managing by objectives. However, there have been certain individuals' who have long placed emphasis on management by objectives and by so doing have management by objectives refers to a structured management techniques of setting goals for any organizational unit.

Odiorne (2011) defined MBO (management by objectives) as a system of management whereby superior and subordinate jointly identify objectives, define individual majors areas of responsibility in teams of results expected, and use these objectives and expected results as guides for operating the unit and assessing the contribution of each of its member. Besides Odiorne points out that management by objectives is a “system of management” an overall framework used to guide the organizational unit and outline it’s direction.

He went further to points out that “the superior and subordinate jointly identify objectives”. In other words, it is a participative management procedure that required commitment and co-operation. The definition deals with identifying the “result” that are expected. Thus management by objectives concentrate on the output of the organization evaluating people by assessing their contribution to this output.

Management by objectives is a strategy where in the management sets specifics goals for the employees to accomplish within fixed time period. Management by objectives is a dynamic system which seeks to integrate the company a need to clarify and achieve its profit and growth goals with the managers need to contribute and develop himself. It is a demanding and rewarding style of managing a business. Management by objectives can work in any size of organizations if the procedures are understood and managers are patient in letting the system set in first. Management by objectives is a effective planning. Controlling and development system.

Management by objectives was defined by Koontz and Donnell (2009) as a techniques of system or method of management whereby the superior and subordinate managers of an organization agreed on its broad goals. Translate these goal into a chain of specific shat term goals, defined each individual major areas of responsibility in terms of result expected continually reviewed the accomplishment as the basis of assessing and rewarding them. Management techniques gives the employee the opportunity to participate in decision making, the limits within these limits. It assumes that the employees has been properly selected and trained, and is informed that the employees will be responsible for achieving the desired result in the organization. Organization are ubiquitous.

Mullins (2005) organization are designed by people to overcome individual limitations and achieved individually. Also organization comprises of persons having common goals, desired, objective for the purpose of achieving the set attainment of the firm. Hence, organization becomes a means of survival for the people and exerts an important daily influence on the life of the people and the way they live. The major decide for the survival of any organization resources (man, money, machine materials) to achieve organizational goals. It is appropriate to note that management of companies in Nigeria lack sufficient techniques to make them manage effectively. Some of these tools are not used and when used, they are not properly utilized. Management by objectives is not only a managerial strategy to achieve as well coordinated managerial goal, but it is also a popular management techniques that cut across for pervade all human activities namely business area, educational, government, health care and non profit organization.

Most of the techniques, system, tools for managements, are hardly understood resulting in losses, and damages to the organization. Besides it is the wrong use of techniques and unwillingness of top management to utilize the right tool to solve the management problems. It is on these trends that the researcher intends to find out the prospect and problems of management by techniques as an instruments for organization performance in Nigeria. In order to investigate some of the above. Problem, one of the leading financial institution in the country, First Bank of Nigeria Plc, Auchi has been chosen.

1.2 Statement of the Problem

It is pertinent to note that management of companies in Nigerian lack sufficient techniques to make them manage well. Some of these tools are not used and when used they are not properly utilized e.g management by objectives. Management by structure is not only a managerial strategy to achieve a well coordinate management techniques that exist across or pervade all human activities namely: business area, education, government, health care and non-profit organization. Unfortunately many of the organization are yet to adopt this techniques in earlisting commitment and support of their staff those who do, often pay lip services only to be MBO techniques. Thus excluding staff in standard/goal setting that involve them, control and achievement of goals in cases like this suffer.

1.3 Objectives of the Study

The broad objectives of the study is to find out the prospects and problems of management by objectives as an instruments for organizational – performance in Nigeria. The specific objectives of the study include to:

i. determine problems affecting managements by objectives as an instruments for organisational performance.

ii. identify whether employees are given appropriate authority and responsibility for achieving the set objectives.
iii. find out the level of participation of both managers and employees in the setting of goals to be achieved in the organization.

1.4 Research Questions

In pursuit of the research objectives of the study, the following research question have been formulated.

i. What are the problems militating against the use of management by objectives as instrument of performance?
ii. To what extend do both managers and employees participate in the setting of goals to be achieved in the organisation?
iii. To what extent are employees given appropriate authority and responsibility for effective management by objectives.

1.5 Statement of the Hypothesis

The following hypothesis will guides the study:

Hypothesis I

Ho: Managers and employees do not participate in the setting of goals to be achieved in the organization to increased efficiency.

Hi: Management and employees participate in the setting of goals to be achieved in the organization to increase efficiency.

Hypothesis II

Ho: Non-commitment of the managers are not one of the problems militating against the use of management by objectives as an instrument for organizational efficiency.

Hi: Non-commitment of the managers are one of the problems militating against the use of management by objectives as an instrument for organizational performance.

Hypothesis III

Ho: Employees are not given appropriate authority and responsibility for achieving the set objectives.

Hi: Employees are given appropriate authority and responsibility for achieving the set objectives.

1.6 Scope of the Study

The scope of this study will attempt to evaluate on the sue MBO an instrument for organization performance. But the scope is restricted to first Bank Auchi Edo State. This study will therefore attempt to establish the linkage between the subordinate and management in contributing to the organization objectives and what extent MBO affects the overall performance of the First Bank Plc. The scope covered by this study will be limited to First Bank of Nigeria Plc. Edo State. This study will serve as representative of almost all the branches of First Bank of Nigeria Plc. The time scope from 2011 to 2020.

1.7 Significant of the Study

The researcher: it will enable the researcher to fulfil the partial requirement for the award of Higher National Diploma in Business Administration and Management.

Financial Institution: The firms (First Banks of Nigeria Plc.): the firms will through this study see the needs to involve the subordinate in setting objectives as it will elicit higher productivity, profitability growth, sustainability of the organization as well as customer and employee satisfaction.

The futures Researcher: The study will be useful to those who will carry out studies in related area in future. It will serve as a reference materials to them. Even, the findings can provide bases for further studies.

i. Corporate objectives are achieved by focusing managers and employee efforts on specific activities that will lead to their attainment.
ii. Relationships between managers and subordinates are improved by having explicit discussion about objectives, defending activities that will help achieve them and assigning responsibility.
iii. Employees are motivated because they know that is expected and are free to be resourceful in accomplishing their objectives.

MBO Relevance to school

i. Government should empower and authorize school management bodies to use MBO to strategize towards sourcing internal and external donors.
ii. Schools managers and principals should make efforts to upgrades their MBO competence. Reading professional, journal, peer mentoring and participating in professional conferences and seminars will help them achieve this.

1.8 Limitations of the Study

The limitations of this study include some of the unavoidable constraints and problems encountered in the process. They are as follows:

Non – availability of records: This is one of the most important limiting factors in the cause of the study. This includes the problems of easily getting the appropriate data due to bureaucracy which hinders the information flow in the country.

Non **-**hallant attitude of bank officials: The reluctance of bank officials to reveal information on the need for this study, for fear of breach of duty of secrecy to customers exposure of banks administrative short coming.

Non – availability of textbooks, magazines, and information circular relating to the field of study pose a lot of problems of the project work.

Refusal of the secretary not to meet with the manager of First Bank Plc, and also to have an effective discussion with the managers.

Non availability of sources of materials in the library etc.

1.9 Operational Definitions of Terms

Business: A business (also known as an enter a company, a firm or an organization is an entity involved in the provision of goods and services to customers. Business can be seen or defined as one occupation, profession, or trade, any lawful activities involves – in providing goods and service in exchange for profits.

Development: The process in which someone or something grows or changes and becomes more advanced. According to Sid Isreal 11 March 2018: defined the word

Development as a process that creates growth, progress, positive change or the addition of physical, economic, environment, social and demographic components.

Efficiency: Is the (often measurable) ability to avoid wasting materials, energy, effort, money, and time in doing something or in producing a desired result. I n a managerial sense, it is the ability to do things well; successfully, and without waste; efficiency in business relates to how much of a products or services is produced in a given time frame.

Instrument: Devices that communicates denotes, detects, indicates, measures, observes, records or signals a quantity or phenomenon, or controls or manipulates another devices. Instrument means or is a means by which something of value is transferred, held, or accomplished.

MBO: Management by objectives is an performance management approach in which a balance is sought between the objectives of employees and the objectives of an organisation. The essence of Peter Druker's basic principle: Management by objectives is to determine joints objectives and to provide feedback on the results setting challenging but attainable objectives promotes motivation and empowerment of employees. By increasing commitment, managers are given the opportunity to focus on new ideas and innovation that contribute to the development and objective of organization. However, peter Drucker sets a number of conditions that must be met.

i. Objectives are determined with the employees.

ii. Objectives are formulated at both quantitative and qualitative level:

iii. Daily feedback on the state of affairs at the level of coaching and development instead of static management reports;

iv. Rewards (recognition, appreciation and/or performance related pay) for achieving the intended objectives is a requirement:

v. The basic principle is growth and development not punishments. Management by objectives 9MBO) is also known as Management by results (MBR)

Management: Is the administration of an organization, whether it be a business, a not for profit organization or government body. According to the American Management Association., defined (“Management” as the act of getting things done through others and having them do it willingly.

Strategy: A plan of actions designed to achieve along term or over all aim.

Objective: A specific results that a person or system aim to achieve within a time frame and with available resources.

Goals: Goals are the final results or outcome of an endeavour. It is also what you want achieve.

Results: Results is the outcomes of a thing or action.

Commitment: this simply means involves dedicating yourself to something. A commitment obligates you to do something. It also the act of binding yourself (intellectually or emotionally) to a course of action i.e no commitment, no result.

Decision Making: Decision making is the act of choosing between two or more courses of action. It means choosing between among alternative results decision:

Employees: Employees are individuals, a person who works part time or full time under a contract of employment. Employees a person working for another person or business firm for pay.

Techniques: A systematic procedure, formula or routine by which a task is accomplished.

Performance: The accomplishments of a given tasks that measured against standard of accuracy, completeness, cost and speed. In a contract, performance is deemed to be the fulfilment of an obligation:

CHAPTER TWO: LITERATURE REVIEW

2.1 Concept of Management by Objectives

Management by objectives is traceable to the period prior to the middle of this country but it was not until 1954 that it was well articulated and publicized by one of the world leading management thinkers in the person of Peter Ducker. Management by objective goes beyond setting annual objectives for organizational units to setting performance goals for individual employees (Stone 2014). Management by objectives has become a great deal of discussion, evaluation and research, and inspired many programs. Management by objectives refers to a formal set of procedures that begins with goal setting and continues through performance review. Managers and those they supervise act together to set common goals. Each persons' major areas of responsibility are clearly defined in planning their worker, and by both staff members and their managers conducted jointly on a continuing basis, with provisions for regular periodic reviews.

Management by objectives (MBO) is a process of defining objectives within an organization so that management and employees agree to the objectives and understand what they need to do in the organization. The essence of MBO is participative goal getting choosing course of actions and decision making. An important part of the management by objectives is the measurement and hte comparison of the employee's actual performance with the standards set ideally, when 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 fulfil their responsibility.

Odiorne (2011), the system of management by objectives can be describe be a process whereby the superior and subordinates jointly identify its common goals defines each individuals major areas for operating the unit and assessing the contribution of each of its members. Management by objectives as mentioned by Drucker is a simple approach to help motivate managers through the goal setting Antoni, 2005).

Rodgers and Hunter (2012) management by objectives contains three main characteristics, “participation in decision making, goal setting and objectives, feedback”. Participation is used to create common perception for organization as a whole Goal setting entails “the continuous review and revision of objectives “while objectives feedback is the tool for managers to assess subordinates on progress toward goal achievement. The heart of management by objectives is the objectives, which spell out the individual actions needed to fulfil to units functional strategy and annual objectives. Management by objectives provides a way to integrate and focus the efforts of all organization members on the goals of high management and overall organizational strategy.

Another key to management by objectives is its insistence on the active involvement of managers and staff member at every organizational level. Drucker (2013) insists that managers and staff members sets their own objectives or at the very least, be actively involved in the objectives setting process. Otherwise people might refuse to co-operate or make only half hearted efforts to implement same one else’s objectives.

2.2 Empirical Framework of the Study

Drucker (2013), identifies certain inherent structural variable in the work environment that are capable of misdirecting the efforts of management towards the realization of corporate goal. The sources of these are mention below:

a) Over-emphasis on workmanship vis-a-vis goal attainment, so much that professional rivalry and empire building may result.

b) Opposing views at various level of management arising from differentials in their scope of jurisdiction and pursuers corporate goals. Participation is an essential components of an effective management by objective programs. Managers and employees should agree on objectives and should meet periodically to review progress towards the objectives. The objective set in the process of management by objectives help provide a yardstick for performance appraisal, compensation and control. Once the objectives are agreed upon, everyone knows what is expected of him, thereby making appraisal and reward easy and known what is more, it facilitates control of organizational operations as deviation can be easily identified and corrections made.

2.3 Qualitative Measure of Management by Objectives.

Rodgers and Hunter (2012), Management by objectives contains three main characteristic participation in decision making, goals setting and objective feed". Participation is used to create common perception for organization as a whole. Goal setting entails. While objectives feedback is the tool for managers to assess subordinate on progress towards goal achievement. Management by objectives start with the development of overall goals which are parcelled through the organization in a top-down sequence until middle management and other employees have been assigned some portion of these objectives as their own. The hierarchy of objectives can be developed through a systematic MBO – types system.

Each organization can modify MBO to suit its own needs: but most system involve the following sets.

i. Overall goals for the organization are established.
ii. Major objectives are parcelled among department and managers in a hierarchical faction and specific objectives in a involving manners.
iii. Actions plans for achieving these objective are specified and agreed upon by managers and subordinates.
iv. The actions plans are carried out.
v. Efficiency is appraised at the end of a specified time period generally one year and new goals are established. A special advantage of the management objectives system is that subordinates are given the distance to determines how to achieve their objectives. Thus, even if goals are establish in a top-down fashion, employees have discretion in determining the work behaviour needed to reach those goals, freeing them to use their skill and creativity.

Assessing Management by Objectives Effectiveness

Research finding have reported on dramatic increase3s in efficiency by organizations that use the management by objectives. However, many companies have adopted management by objectives and most managers feel that management by objectives is effectives managers believe they are better oriented assistance with the problems and add in removing obstructions to thus successful efficiency.

Stoner (2014) list out the following elements of management by objectives system:

1. **Individual goal:** In an effective management by objectives program, each managers and staff members has opportunities discussion or subordinate activities to channels efforts optional efficiency has clearly defined job responsibility and objectives. The purpose of setting objectives is specific terms at every levels is to help employees understand clearly just what they are expected to accomplish and to help each individual plan effectively to achieve his/her targeted goals.
2. **Participation:** As a general rule, the greater the participation of both managers and employees in the setting of goals, the more likely the goals will be achieved one of the hallmarks of successful quality management programs is the joint participation in setting goals.
3. **Autonomy in implementation of plan:** Once the objectives have been agreed upon the individual enjoys wide discretion in choosing the means for achieving them without being second guessed by higher ranking managers.
4. **Efficiency Review:** Managers and employees periodically meets to review progress towards the objectives.
5. **Commitment to the problem:** At every organizational level, managers commitments to achieving personal and organizational objectives and to the management by objectives process is required for effectives program.

2.4 Significance of Management by Objectives

The significance of management by objectives as follows:

1. **Goal orientation:** Management by objectives focuses on determine of unit and individual goals in line with the organization on goals. These goals define responsibility of different part of the organization with its part and its environment. Management by objectives of key executives. I t required that all corporate, departmental and personal goals will be clearly defined and integrated.
2. **The MBO:** This process is characterized by a high degree of participation of the concerned people in goals setting and efficiency appraisal. Such participation provides the opportunity to influence decision and clarify job relationships with superiors, subordinates and peers. It also helps to improve the most motivation and moral of the people and result in role clarity participative decision making is a prerequisite of MBO. MBO requires all key personnel to contribute maximum to the overall objective.
3. **Key Results Areas:** The emphasis in MBO is one efficiency improvement in the areas which critically importance to the organization as a whole. By identification of key result areas (KARAS), MBO ensures that due attention is given to the priority areas which has significant impact on efficiency and growth of the organization. Goals of all key personnel are properly harmonized and they are required to make maximum contribution to the overall objectives. Key are sub key areas are identified for each function as shown in the following examples.

Finance (key area) sub key area

Cash policy

Dividend policy

Debt equity ratio

Sources of funds

The role of each department towards the key areas also specified.

i. **System Approach:** MBO is a system approach of managing an organization. It attempts to integrate the individual with the organization and the organization with its environment. It seeks to ensure the accomplishment both personnel and enterprise goals by creating goal congregate.

ii. **Optimization of Resources:** The ultimate aim of MBO is to secure the optimum utilization of physical and human resource of the organization. MBO sets an evaluation mechanism through which the contribution of each individual can be measured.

iii. **MBO:** is an operational process which helps to translate concepts into practice. MBO is made operational through periodic reviews of efficiency which are future oriented and which involves self control.

iv. **Multiple Accountability:** Under MBO, accountability for result is not centralized at particulars points. Rather every member of the organization is accountable for accomplishing goals set for them.

2.5 Application of Management by Objectives

To understand how management by objectives can be applied, it is necessary to look at the parts of the process. Management by objectives can be divided into multiple steps in many combination, but three main one will be discussed. Organizational objective setting, manager objective setting and objective – review (Mullins 2005).

i. **Organization Objectives Setting:** Setting objectives is the most difficult step in management by objective. Objectives answer the question "what are we trying to accomplish? This step requires the top managers of an organization to review, the purpose for which the organization exist. In the military, this may require the view of the mission statement and a discussion of it's meaning. This is an important requirement, for periodic review re-emphasizes, the continuing need for the existence of the organization. With this mission in mind, the commander or supervisor and his staff must then set organizational objectives in areas where the unit will concentrate its efforts during the approaching objectives setting period. These objectives are:

a) To provide direction to the entire organization and
b) To provide guidelines for subordinate – level managers to formulate their objective. As a result of this organizational objectives setting step air force managers showed, realized that a mission statement is a goal that defines the continuing purpose of an organization. That mission statement, however does not define specific methods accomplishing the goal stated. Management by

objectives helps formulate these specific methods that are necessary to accomplish the mission.

ii **Management Objectives Setting:** Each individuals manager in the organization must now determine the objectives for his business. This procedures takes places in three generals steps:

Identifying key result areas, writing objectives, and negotiating with the boss. First the managers must identify the key results areas of responsibility that are assigned to this unit. In others words, just as the commander reviewed the whole organization in order to set organization objective, the manager reviews his part of the organization in order to set his objective. It is important for the individual business manager to identify the areas of his unit where most of the results are obtained. He will usually find that 20 percent of his area of responsibility will produce 80 percent of his results. It is important that he identify and zero in on these key result areas for management to be effective.

After the managers objective have been written he enters the participative management phase of this techniques. The subordinate managers sit down with his boss and they agree on the subordinate's objective. This requires a realistic commitment on the part of both individuals. The management on the objective signifies the approval of the expected results (output) required of the subordinate. Progress towards these results can now be pursued by the subordinate until the requirement is reached or the goals is changed.

After a manager has identified his key areas of responsibility, he is ready to sit down and write his objectives. The main criteria that he should remember in writing objectives are that they should be specific, measurable, realistic and result oriented. They should be specific in that there can be no confusion about what is expected. They must be realistic but still challenging, the objectives should be result-oriented, concentrating on the output of the organization and not on its internal activities or procedures.

iii**. Objective Review:** After the setting of objectives has been agreed upon by the subordinates, managers, and his boss, the stage is set for managing by these objectives. This managing process is responsibility of the subordinate manager, and it is interrupted only by mutually arranged, formal review sessions with the commander in order words, management by objective requires that each individual have the freedom to perform a well defined task without interference. There are two types of objectives reviews according to (Mullin, 2005) Intermediate and final progress and identifying problems that stand in the way of accomplishing objectives. Most problems are not foreseeable at the time objectives are written: they appear only when action is taken to accomplish the objective. The result of this intermediate session should be either the agree on a plan that resolves the blockage of objective accomplished or changed the objectives. The finial review is to determine objective accomplishment in this session the subordinate’s objective are reviewed for the entire period.

In addition, the session concentrates on the renewal of the objective setting cycle by establishing a basis from which to plan the objectives for the next period. The superior gains an additional benefits from this session since it provides him with input on which to evaluate the subordinates and organizational performance. I f the focus of the session is on the objectives and it does not breakdown into personal recrimination of the individual, then the review will be true appraisal of performance not personality.

2.6 Challenges of Management by Objectives (MBO)

Management by objectives (MBO) has certain challenges and weakness while some of these challenges are inherent in MBO, some challenges arise at the time of introduction and implementation of the process of MBO. Some of these challenges associated with MBO are as follow:

i. **Lack of support from top management:** As the authority is vested in the top management in traditional organization and flow from top to bottom but in the process of MBO, the subordinates are also given an equal opportunity of participation, which is sometimes not liked by the top management. MBO cannot be successful without full support from management at the top most level.

ii. **Resistance by subordinates:** The subordinates can also be resentful towards the system of MBO, sometimes setting the goals, they may be under to get along with the management and the objectives which are set may be unrealistically high or far too rigid. The subordinates generally, feel suspicious of the management and believe that MBO is another play of the management to make them work hard and become more dedicated and involved.

iii. **MBO is time consuming and costly:** MBO is time consuming and costly process; a lot paper workers is required and a lot of meeting and reports need to be prepared, which to the responsibilities and burden of the managers because of these reason managers generally resist the use of the MBO.

iv. **Poor Integration:** Generally, there is poor integration of MBO with the other system such as forecasting and budgeting. This lack of integration makes the overall functioning of the system very poor.

v. **Difficult in Achievement of Group Goals:** When the achievement of the goals of one department depend upon the goals of the another department, cohesion is difficult to maintain, in such cases, the achievement of goals will also become very difficult.

vi. **Inflexibility:** MBO could result in a rigid organization structure. As the goals are set after every six month or one year, the managers may not like to review the goals in between even if, the need arise, dues to fears resistance from the subordinate; the managers must learned to handle this situation, become sometime revision of short term goals in necessary for the achievement of the long range objectives.

vii. **Limited Application:** MBO is useful largely for the managerial and professional employees. It is not appropriate for all levels and for everyone because of the heavy demands made by it. It can be made applicable only when both the subordinates and managers feel comfortable with it and willing to participate in it. Towards goals achievement when management by objectives is use like any system, management by objectives is use. Management by objectives has many benefits when use properly and is associated with management problems when used properly.

Importance of MBO in financial Institutions

Major benefits the companies that use MBO management by objectives include the following: Mullins (2005)

1. Corporate objectives are achieved by focusing managers and employee efforts on specific activities that will lead to their attainment.
2. Efficiency can be improved at all company levels because employees are committed to attaining objectives.
3. Employees are motivated because they know what is expected and are free to be resourceful in accomplishing their objectives.
4. Departmental and individual objectives are aligned with company objectives. Objectives at top management, levels.
5. Relationship between managers and subordinates are improved by having explicit discussions about objectives, defining activities that will help achieve them and assigning responsibility.
6. The involvement of employees is setting goals, and objectives given them psychological satisfaction and ultimately gingers them to be more committee to achieving the objectives which they take part in setting than the ones imposed on them (increased motivation).
7. It helps in the identification fo training needs. The periodic review of efficiency may highlight inadequacies or lag in subordinates performance. So that appropriate training programs is designed to help him acquire the relevant skills for thorough job performance.

8. The periodic superior – subordinate discussion may highlight or reveal abnormalizes in the organizations structure from corrective measures to be taken.
9. The periodic discussion between the superior and the subordinates fasten mutual understanding of each other. It therefore helps them to work harmoniously and cooperatively towards the attainment of the cooperate goals.
10. Better identification of training needs. Many managers at times make serious mistakes by sending their subordinates for training courses just for the sake of training without knowing the type of training needed by the subordinates and which will be of benefit to the company.
11. It helps to develop effective control. In the same way that management by objective sparks more effective planning it also aids in developing effective control. Control, it will be recalled, is measuring activities and to assure desired accomplishment. One of the major problem is knowing what to watch. A clear set of verifiable goals the best guide to known.

Weaknesses in Management by Objectives

With all its advantages, a system of managing by objectives has a number of weaknesses and short comings, some are found in a system. Others are due to shortcoming in applying it. Here are some formulated by Koontz AL (1979).

1. **Failure to teach the philosophy:** As simple as management may seen, there is much to be understood and appreciated by managers who would put into practice. This requires patient explanation of the entire program. What is it,

how it works, why it is being done, what part it will play is appraising managerial performance, and above all, how participants can benefit.

2. **Failure to give setting Guidelines:** Managing by objective, like any other kind of planning, cannot work given needed guidelines. Managers must know what corporate goals are and how their activity fits in with them. If corporate goals are vague, unreal or inconsistent, it is virtually impossible for mangers to tune in all of them.

3. **Goals are Difficult to Set:** It should not be overlooked that truly verifiable goals are difficult to set, particularly if they are to have the right degree to "stretch" or "pull" quarter in and quarter rout, year in and year out. This may not be much more difficult than any kind of effective – planning, although it will probably take more study and work to established verifiable objectives that are formidable but attainable them to develop most plan, most of which tend only to lay out work to be done.

4. **Failure to Ensure Network of Goals:** In the obsession to set goals, there is ever the danger that one person's objectives may be inconsistent with those of another. The production manager goals for low cost might be none supportive to the marketing manager's goal of product availability or quality of the financial manager's of low inventory. An enterprise is a system. If goals, like all other plans, are not interconnected and mutually supportive, people will tend to pursue path that seem best for their own operations but may be detrimental to the company as a whole.

5. **Goals Tends to be Short-run:** In almost all system of operating under management by objective, goals are set for short term, seldom for more than a year, and often form a quarter or less. There is clearly the danger of emphasizing the short run, perhaps at the expense of the longer range. This means, of course, that superior must always assure themselves that current objectives, like any other short-run plan, are design to save long – range goals.
6. **Setting Arbitrary Goals:** One of the sure causes of failure is for the boss to set arbitrary goals for subordinate while superiors must take final authority for approving the objectives of those who report to them. If they force on subordinates, they will destroy the feeding of commitment on the part of those who must achieve them. As a matter of fact arbitrary and pressured goals represent one of the majors cause of complaint expressed by managers, particularly at the middle and lower levels. The superiors who does it is deprived of the intelligence, experience and often the know – how of problem solutions that subordinates almost always have. Experience with cooperative goals setting session had led most of us to have considerable respect for eh useful knowledge that often lies at lower levels in an organization.

Dangers and Precautions of Management by Objectives

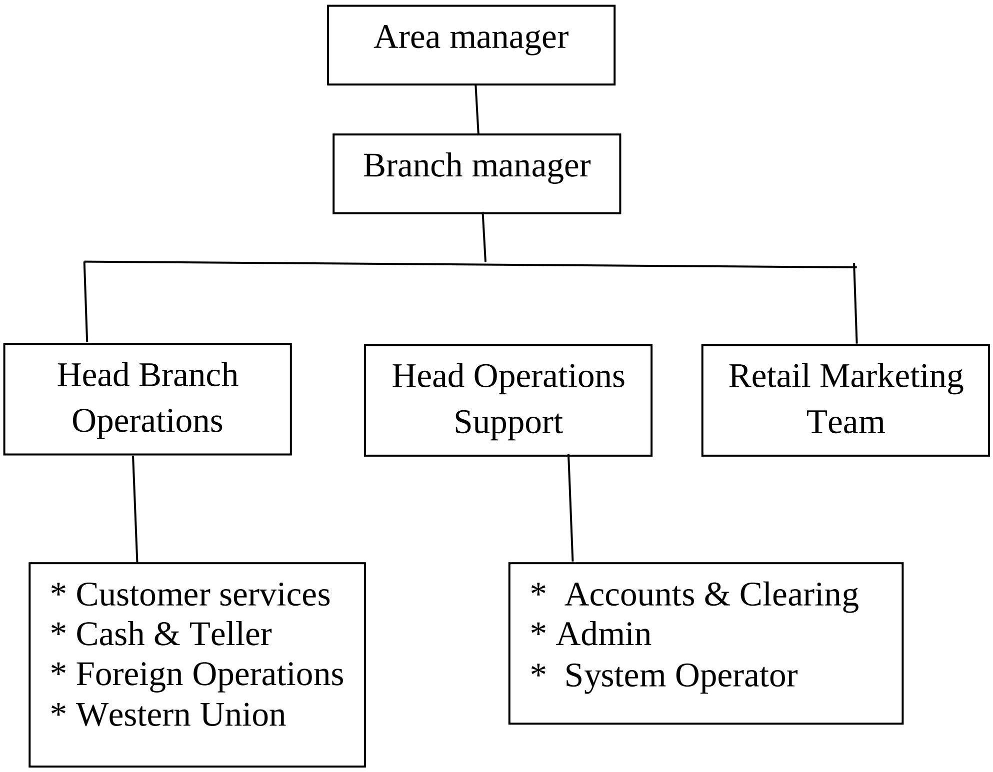
Although managing by objectives has been very successful in some companies, leading to increase in profit, yet it still has some pit falls as has been proven by experience Koontz et al (2010).

There is always the danger in a system of managing by objectives that, once objectives are agreed upon, the superior will not adequately monitor progress towards goal accomplishment. One of the major advantages of using objectives is that a person has a charter for accomplishment. The appropriate resources and discretion are allocated goal and subordinates can be given a high degree of freedom to work towards goal achievement. One would not expect a superior to middle or constantly took over a subordinates shoulder. By the same token, however, a superior should not sit back and assume that everything is going we4ll and not check on progress until the date of goal achievement is due.

Superiors as well as subordinates should have regular information available to them as to how well a subordinates goal performance is progressing. Superior should regularly review progress through this information and through personal consultation and should make themselves available for counselling to help subordinate, it is merely following through with the job of manager. Most subordinates will welcome following – up, counselling, and assistance with their problems and aid in removing obstructions to their successful performance.

Management by objective planning process in a nutshell involves determinations and specification of objectives by superior and subordinate manager, periodic discussion or subordinates activities (obstacles encountered and opportunities existing /anticipated) and tutorial on how to channel efforts for optimal efficiency.

First Bank of Nigeria Plc Organization Chart



Source: First Bank of Nigeria Plc, Annual Report and Account 2014.

2.7 Summary of the Review

Employees are also motivated when management integrates their goals into the organizational goal through MBO Management by objectives is one of the latest methods advocated by Peter Drucker for achieving organizational objectives. The basic concepts is that top executives and managers should all be involved in determining company objectives, defining major areas of responsibility, and integrating them into the goal of the employees (Drucker 2011).

Employee satisfaction is the aim of most managers. The contention is that a satisfied employee has a better attitude to work than a dissatisfied employee. It was once believed that satisfaction would lead to higher productivity; Research findings point the fact that satisfied employee is not necessarily productive; thus there is no consistent correlation between productivity and job satisfaction. Studies show, however, that job satisfaction correlates negatively with increased absenteeism rate, labour turnover and poor morale. Commenting on the lack of correlation between employee satisfaction and productivity, Kahn observed that no significant relationships were discovered between any of the indexes of satisfaction and the productivity of the work group. In other words, employees in highly productive work groups were not more likely than employees in low producing group to be satisfied with their job and the company, or with their financial and status reward.

Employees job satisfaction is influenced by the equitable distribution of organizational favours. Perceived inequity affects employee job satisfaction. The ability of an employee to perform his work up to expected standards influences job satisfaction. An employees who is capable of performing an assigned task derives intrinsic reward from it, as he is capable of accomplishing something. He sees himself as having some control over his environment and may perceive himself as an achieve. This reward increase when the organization recognized his contribution and gives him added incentive in the way of promotion or others privileges. If the employee believes that what he receives is equal to what other employees who have achieved level of productivity are entitled, he derives satisfaction. Extrinsic reward includes all forms of format recognition, promotion, advancement, pay, amenities, fringe benefits and a pat on the back. These originate from the organization.

Intrinsic reward is an inner feeling of satisfaction originating from work well done. Achievement, personal growth status or power possessed and informal recognition. This inner warmth is a form of self gratifications is very sustaining.

Many employees will stay in the organization if they are denied extrinsic reward but posses intrinsic reward. Where the later is lacking, the employee is very likely to leave the organization, or become very tansy play truancy and characteristically, show a very poor attitude to work.

How Management by Objective has Improved First Bank Performance

Management by objectives was initiated by Peter F. Drucker, and it was been tested by many scholars about how useful and appropriate it is as the managerial tools. At the beginning management by objective tool was only a simple approach that use of goal setting to be a guideline. Later, both public and private sectors applied it with other strategies to manage their organization. The trends in the management by objective literature stated with the impact of management by objectives on individual. Many studies examined its effectiveness and gave the positive results in job satisfaction and work performance.

Dinesh, D. And Palmer, E. (1998) Compares management by objective with the balanced score card and indicated that both of them focus on "goal cognisance as a means of improving performance". But management by objective had two significant flaws "Identified as partial implementation of the system and non recognition of the need to adopt a human-relation view". Management by objectives helps improve performance. Three studies examine this relationship. Rogers and Hunter (1992) conducts the meta-analysis of management by objectives application in both public and private sectors resulting that 100 percent of the sector studies reported performance gain after the introduction of management by objectives. Their findings pointed out that high commitment to management by objectives from top management will create the significant gain and management by objective in both public and private sectors was equally effective. Smith et al (1996) examines current performance appraisal methods. Two hundred and fifty managers in the U.S. were asked through questionnaires about performance appraisals: the responses revealed that management by objective has remained a popular format.

In the literature on the relationship between participation in decision making and performance, Tuiji, et al (2014) conducts a quasi-experimental field study campaigning participation and tell and sell strategy. The result indicated that participation from individuals technicians than tell-and-sell strategy did. Researcher also explored the relationship between management by objective is the powerful tool to develop group efficiency. Although some studies negative feedback, management by objectives is still widely accepted in most organization. Management by objectives helps communicate between mangers and subordinates, which will lead to the goal achievement. Also the higher commitment in managing by objective from top management will generate the significant gain in both public and private sector. As for extra-role behaviour. Participation in management by objectives gives higher performance and creates self efficacy form workers as the study shows the result that "people who know that they have effectives ways of performing a task will be more confident than people who are unsure of how to perform effectively" (Lathem, et al, 1994). Management by objectives is useful.

This managerial tool gives positive affect on job satisfaction, team performance, performance appraisal, self-efficacy and organization performance.

By setting reasonable and challenging goal, not looking at the subordinates as tools and rather applying participation in decision making, the sue of management by objectives in an organization is a powerful tool in management.

Sir Alfred Jones, predating the birth of the Nigeria nation, acquired African Banking corporation, established First Bank of Nigeria Plc in 1894, head quartered in Lagos. First Bank has International Presence through its subsidiary First Bank (UK) in London and Paris and it's offices in Johannesburg and Beijing.

With about 1.3 million shareholder across several countries, first Bank is quoted on the Nigeria stock exchange and has an unlisted Global Depository Receipt (GDR) Programme.

Drawing from experience that spans 115 years of dependable service, the bank has continued to strength its relationships with customers, consolidating alliances with key sectors that have been strategic to the well being and growth of Nigeria. First Bank, Unarguably the country's most diversified financial service group, serves more than 4.2 million customers through 536 locations in Nigeria.

The Bank provides a comprehensive range of retail and corporate solutions and through its subsidiaries contributes to national economic development in capital market operations. The business of first Bank Nigeria covers the whole value chain in financial services specifically the group is organized into the following line of business:

1. Retail and Corporate Banking
2. Investment and Capital Market Operation
3. Asset Management and Trusteeship.

4. Mortgage Banking
5. Insurance Breakage
6. Micro-finance which provide financial service to the poor, low earners etc.
7. Private equity and venture capital.

The First Bank of Nigeria Plc mission statement is to remain true to our name by providing the best financial services possible. Its vision statement is to be the clear leader and Nigeria’s bank of choice.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This chapter deals with the design and methodology employed for the research essentially describes the research design, population and sample size determination sources of data, questionnaire designs and administration.

The study has a descriptive survey research design, consequently the questionnaire instrument was extensively used together data from the respondents.

3.2 Population of the Study

The research has been restricted to only the staff of First Bank Plc, Auchi, Edo State. The total number of workforce in First Bank Plc Auchi, Edo State is 25. Table 3.1 below shows the composition of the staff

Table 3.1 Composition of staff in the organization

S/N	Category of staff	No of Staff
1.	Cleaners	4
2.	Customers services	4
3.	Marketers	6
4.	Foreign operators	1
5.	Technical, support	1
6.	Western union	1
7.	Cash and tellers	8
	Total	**25**

Source: Field Survey, 2021

3.3 Sample and Sampling Techniques

The sampling procedure is a proportion of the population which was taken as a representation of the whole population and on which conclusion made on them based on the data, which they gave was to be peculiar to all members of the whole population.

In order to tenure the simplicity and clarity of this research work, twenty five (25) questionnaire were administered to the staff of First Bank Plc, Auchi. Edo State, and all questionnaire were successfully retrieves. See the table below of sample size analysis.

Table 3.2 Composition of staff and sample selected from each category

S/N	Category of staff	Sample size
1.	Cleaners	4
2.	Customers services	4
3.	Marketers	6
4.	Foreign operators	1
5.	Technical, support	1
6.	Western union	1
7.	Cash and tellers	8
	Total	**25**

Source: Field Survey, 2021

3.4 Instrumentation

Validity can be referred to as accuracy of an instrumentation i.e how will it measure what it is supposed to measure, does the instrument measure what it is supposed to measure. The instrument is valid because the questionnaire is protested and the questions were given the desired result.

The measure instrument used in gathering information for this study is the questionnaire is divided into two parts. The first deals with the demographic variable while the second part covers the main question.

3.5 Method of Data Collection

Since the study is purely analystical, the data for this exercise is obtain from the information gathers from questionnaire, which were successfully administered to the staff of First Bank Plc Auchi Edo State.

3.6 Method of Data Analysis

The researcher used simple percentage to analyze the data collected and frequency tabular presentation in which descriptive analysis was used to infer meaning to the data in the table. The chi-square of goodness of fit test is used in testing the hypothesis. The chi-square.

The chi-square (X^2) is one of the standardized statistical distribution used in testing hypothesis.

The formula

$X^2 = \sum (Fo - Fe)$

Where

X^2 = chi-square

Fe = frequency expected

Fo = frequency observed

$\sum$ = Summation

$$\text{Simple percentage} = \frac{\text{Nos of respondents}}{\text{Total no of respondents}} \times \frac{100}{1}$$

The degree of freedom

Dp = (R-1) (c-1) or n-1 as the case may be

The level of significance is given as 0.05.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.1 Data Presentation and Interpretation.

In this chapter, an attempt is made to classify responses according to age, sex, marital status, and educational qualification etc, of the respondents from the questionnaire used for the study. Data presentation is a way of representing the information contained in a study such that some of the data can be seen. In this work, the tabular tool was used to present the data.

In order to ensure simplicity and clarity of the research work, data were presented with tables and analysis was carried on, with simple percentage and chi-square. In the research of this twenty five (25) questionnaire were administered to the staff of First Bank Auchi, Edo State and same twenty five (25) were successfully retrieved.

Section A: Analysis of demographic data

This sections analyses the demographical details of the respondents using the statistical tool of simple percentage.

Table 4.1: Age Distribution of Respondents

Respondents	Frequency	Percentage
18 – 30	13	52
31 – 45 years	10	40
46 and above	2	8
Total	**25**	**100**

Source: Field Survey 2021

The table 4.1 indicates that 14 respondents representing 52% are between 18 – 30 years of age, 10% of the respondents fall between 31 – 45 years of age, while 2 respondents 8% are 46 years of age and above.

Table 4.2: Sex Distribution of Respondents

Respondents	Frequency	Percentage
Male	10	40
Female	15	60
Total	25	100

Source: Field Survey 2021

In the table above 4.2. It shows that 10 respondents (40%) are male while 15 respondents (60%) are female.

Table 4.3: Marital Status Distribution of Respondents

Respondents	Frequency	Percentage
Single	6	24
Married	18	72
Divorced	1	4
Total	**25**	**100**

Source: Field Survey 2021

From above table, 6 respondents (24%) were single, 18 respondents (72%) married, 1 respondent 4% divorce.

Table 4.4: Level of Educational Qualification Distribution of Response

Level of Education	Frequency	Percentage
WAEC/SSCE	8	32
OND/NCE	2	8
HND/B.SC	13	52
Master and Above	2	8
Total	**25**	**100**

Source: Field Survey 2021

The above table shows that 8 respondents (32%) have WAEC/SSCE, 2 respondents (8%) have OND/NCE, 13 respondents (52%) have HND/BSc while 2 respondent (8%) have Master and above.

Question One: What are the problems militating against the management by objectives as an instrument for organizational performance?

Table 4.5

Responses	Frequency	Percentage
Non-commitment of top managers	12	48
Non – participation of employees	8	32
Inappropriate remuneration	5	20
Total	**25**	**100**

Source: Field Survey 2021

Table 4.5 indicates that 12 respondents (48%) agreed that non-commitment of top managers affects the use of management by objectives as an instrument for organizational performance, 8 respondents (32%) opted that non-participation of employees is one problem hindering organizational performance by the use of management by objectives while 5 respondents (20%) also agreed that inappropriate remuneration is one of the problem militating management by objectives as an effective tools for organizational performance.

Question Two: to what extent do both managers and employee participate in the setting of goals in the organization?

Table 4.6

Respondents	Frequency	Percentage
Often	7	28
Very often	3	12
Not often	15	60
Total	**25**	**100**

Source: Field Survey 2021

From table 4.6, it shows that 7 respondents (28%) agreed that both managers and employees often participant. In the setting of goal, 3 respondents (12%) said that managers and employees very often participate in setting goals while the majority of 15 respondents representing (60%) are of the view that both managers and employees do not often participate.

Question three: Do you think that employees are given appropriate authority and responsibility for effective managements by objectives?

Table 4.7

Respondents	Frequency	Percentage
Yes	18	72
No	7	28
Total	**25**	**100**

Source: Field Survey 2021

In the table 4.7, it shows that 18 respondents representing (72%) agreed that employees are given appropriate authority and responsibility while 7 respondents (28%) disagreed that employees are not given appropriate authority and responsibility for effective management by objectives.

Question Four: Is it true that management by objectives helps to obtain total commitment of all the employees to work together to achieve a common goal.

Table 4.8

Respondents	Frequency	Percentage
True	11	44
Not true	8	32
Undecided	6	24
Total	**25**	**100**

Source: Field Survey 2021

In table 4.8 shows that 11 respondents representing 44% agreed that management by objectives helps to obtains total commitments of all the employees to work together to achieve a common goals, 8 respondents (32%) disagreed that management by objectives helps to obtain total commitment of all the employees to work which 6 respondents (24%) were undecided.

Question Five: Do you think that the following factors will helps improves performance of the employees and organizational performance in terms of achieving a common goal?

Table 4.9

Respondents	**Frequency**	**Percentage**
Good & prompt Salary	5	20
Promotion as when due	2	8
Good relationship with management	2	8
Recognition of achievement	1	4
All of the above	10	40
None of the above	5	20
Total	**25**	**100**

Source: Field Survey 2021

In the above 5 represents 20% agreed that good and prompt salary improve performance of the employees and organizations performance in terms of achieving a common goal. 2 respondents (8%) opted for promotion when due, 2 respondents (8%) agreed that good relationship with management improve performance, 1 respondent opted for recognition of achievement while majority of 10 respondents representing 40% agreed that all the mentioned factors improve the employees and organizational performance in terms of achieving a common goal.

Question Six: Is your organization achieving its objectives because it adopted management by objectives.

Table 4.10

Respondents	Frequency	Percentage
Yes No	20 5	80 20
Total	**25**	**100**

Source: Field Survey 2021

From the table 20 respondents representing 80% agreed that their organization achieves its objectives because it adopted management by objectives while 5 respondents 20% disagreed.

Question Seven: Does your organization send its staffs for training?

Table 4.11

Respondents	Frequency	Percentage
Yes No	20 5	80 20
Total	**25**	**100**

Source: Field Survey 2021

The above table indicates that 20 respondents (80%) agreed that their organization very often send its works or staff for training, 5 respondents (20%) disagreed that their organization sent its staffs for occasionally.

Question Eight: Do you have good relationship with your supervisor/Boss?

Respondents	Frequency of Response	Percentage (%)
Yes No	18 7	72 28
Total	**25**	**100**

Source: Field Survey 2021

In the table above it shows that 18 respondents representing (72%) agreed that their having mutual relationship with their managers, while 7 respondents representing (28%) admitted that their relationship with Boss/supervisor is rough.

4.2 Test of Hypotheses

In testing hypothesis the research may wish to find to the management by objectives as an instrument for organizational performance, the chi-square formula will be sued to test the hypothesis. The formula is stated below:

$$X^2 = \sum \frac{(Fo - Fe)}{Fe}$$

Where

X^2 = chi-square

$\sum$ = Summation

Fo = Frequency observed

Fe = frequency expected

Degree of freedom formula = (c – 1) (r – 1)

Hypothesis I

Ho: Managers and employees do not participate in the setting of goals to be achieved in the organization to increase efficiency.

Hi: Managers and employees participates in the setting of goals to be achieved in the organization increase efficiency.

Table 4.6:

Respondents	**No of Response**			**Percentage**
	Male	Female	Total	
Often	3	4	7	28
Very often	1	2	3	12
Not often	7	8	15	60
Total	**11**	**14**	**25**	**100**

Source: Field Survey 2021

The frequency expected (fe) can be defined by multiplying each column total by row total and divided by grand total

i.e $\frac{\text{column total x row total}}{\text{Grand total}}$

Chi – square (X^2) = $\sum\frac{(Fo - Fe)}{Fe}$

O = Observed frequency

E = Expected frequency

∑ = Summation

Ye

$F^e_3 = \frac{7 \times 11}{25} = 3.08$

$F^e_1 = \frac{3 \times 11}{25} = 1.32$

$F^e_7 = \frac{15 \times 11}{25} = 6.6$

$F^e_4 = \frac{7 \times 14}{25} = 3.92$

$F^e_2 = \frac{3 \times 14}{25} = 1.68$

$F^e_8 = \frac{15 \times 14}{25} = 8.4$

Real Expected Frequency

Degree of Response	**O**	**E**	**O-E**	**(O-E)^2**	**(O – E)^2/E**
SA – M	3	3.08	- 0.08	0/006	0.002
A – M	1	1.32	- 0.1024	0.1024	0.0776
I don't know M	7	6.6	0.4	0.16	0.0242
SA – F	4	3.92	6.08	0.006	0.002
A – F	2	1.68	0.32	0.1024	0.610
I don't know F	8	8.4	- 0.4	0.16	0.0190
Total	**25**	**25**			**0.1858**

Level of significance = 0.05

Degree of freedom =(c-1) (r – 1)

= (2 -1) (2 – 1)

= 2

Chi – square (X^2) – table value 5.991

Chi – Square (X^2) – Calculated value 0.1858

Decision Rule: Reject the null hypothesis (Ho) if the calculated value of chi-square is greater than the statistical table value of chi-square.

From the above, we accept the null hypothesis (Ho) this means that managers and employees do not participate in the setting of goals to be achieved in the organization to increase performance.

Hypothesis II

Ho: Non – commitment of top managers are not of the problems militating abstains the use of management by objectives as an instrument for organizational performance.

Hi: Non-commitment of top manager is one of the problems militating against the use of management by objective as an instrument for organizational efficiency.

Table 4.6

Respondents	**No of Response**			**Percentage**
	Male	Female	Total	
Often	7	10	17	68
Very often	3	5	8	32
Total	**10**	**15**	**25**	**100**

Source: Field Survey 2021

Chi – square (X^2) = $\frac{\sum Co - Ce}{e}$

Fe = Frequency expected

Fo = frequency observed.

$\sum$ = summation

$$Fe_7 = \frac{10 \times 17}{25} = 6.8$$

$$Fe_3 = \frac{10 \times 8}{25} = 3.2$$

$$Fe_{10} = \frac{15 \times 17}{25} = 10.2$$

$$Fe_5 = \frac{15 \times 8}{25} = 4.8$$

Table 4.7

Response	**O**	**E**	**O-E**	**$(O-E)^2$**	**$(O-E)^2/E$**
Y – M	7	6.8	0.2	0.04	0.006
N – M	3	3.2	-0.2	0.04	0.0125
Y – F	10	10.2	-0.2	0.04	0.004
N – F	5	4.8	0.2	0.04	0.008
Total	**25**	**25**	**0**		**0.0305**

Level of significance = 0.05

Degree of freedom =(c-1) (r – 1)

= (2 -1) (2 – 1)

= 1

Chi – square (X^2) – table value 3.841

Chi – Square (X^2) – Calculated value 0.0305

Decision Rule: Based on the decision rule, we accept the null hypothesis (Ho). This means managers and employees participate in the setting of goals to be achieved in the organization to increase performance.

Hypothesis III

Ho: Employees are not given appropriate authority and responsibility for achieving the set objectives.

Hi: Employees are given appropriate authority and responsibility for achieving the set objectives.

Table 4.8

Respondents	**Frequency of Response**			**Percentage**
	Male	Female	Total	
True	7	8	15	60
Not true	3	4	7	28
Undecided	1	2	3	12
Total	**11**	**14**	**25**	**100**

Source: Field Survey 2021

Chi – square $(X^2) = \sum \frac{Co - Ce}{e}$

O = Observed frequency

E = Expected frequency

$\sum$ = Summation

$Fe_7 = \frac{11 \times 15}{25} = 6.6$

$Fe_3 = \frac{11 \times 7}{25} = 3.08$

$Fe_1 = \frac{11 \times 3}{25} = 1.32$

$Fe_5 = \frac{15 \times 8}{25} = 4.8$

$Fe_8 = \frac{14 \times 15}{25} = 8.4$

$Fe_4 = \frac{14 \times 7}{25} = 3.92$

$Fe_2 = \frac{14 \times 3}{25} = 1.68$

Real Expected Frequency

Degree of Response	O	E	O-E	$(O-E)^2$	$(O-E)^2/E$
SA – M	7	6.6	0.4	0.16	0.0242
A – M	3	3.08	-0.08	0.006	0.002
I don't know M	1	1.32	-0.32	0.1024	0.0776
SA – F	8	8.4	-0.04	0.16	0.0190
A – F	4	3.92	0.08	0.006	0.002
I don't know F	2	1.68	0.32	0.1024	0.610
Total	**25**	**25**			**0.1858**

Level of significance = 0.05

Degree of freedom =(c-1) (r – 1)

= (2 -1) (3 – 1)

= 2

Chi – square (X^2) – table value 5.991

Chi – Square (X^2) – Calculated value 0.1858

Decision Rule: Based on decision rule, we reject (Ho) and accept Hi which states that employees are given appropriate authority and responsibility for achieving the set objectives.

4.3 Discussion of Findings

After all analysis and hypothesis testing, it was observed by the researcher that management by objectives as an instrument for organizational performance lead to higher performance.

It also helps to obtain total commitment of all employees to work together to achieve a common goal.

That good relationship with management and recognition of achievement improved performance of the workers and organization performance when management by objects is been adopted.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of Findings

From the presentation and analysis of data in the study, the following of the research are summarized below:

That the major problems militating the management by objectives as instrument for organizational performance are:

i) Non – participation of employees

ii) Inappropriate remuneration

That management by objectives helps to obtain total commitment of all the employees to work together in order to achieve a common goal.

The finding reveals that the following factors improve performance of the workers.

i) Good and prompt salary

ii) Promotion as when due

iii) Recognition of achievement.

Organization that adopt management objectives usually achieves its set objectives. The practice of management by objectives facilitates the emulation of team spirit and work in an organization. The benefits of team spirit in modern day management cannot be over-emphasized. I t helps group overcome individual collective goals and slums selfish or sectional interest.

Moreover, the process of management by objectives is an underlying motivational ingredients to lower manager. The fact that lower managers are involved in anus at the group objective not only gives them a feeding of belonging but impose upon them, a commitment to work towards it's effective realization.

That management by objectives encourages systematic planning of organization efforts. The targets thus evolved become the basis for utilization of resources and guiding organizational efforts.

5.2 Conclusion

This study revealed a lot of positive implication and relevance of management by objectives to modern day management of organization especially in Nigeria. In practical terms, the operations of management requires that each manager of a unit draw up his department objectives with his subordinates in line with the centrally stipulated corporate objective and mission. These units objectives when approved by the management clearly define responsibilities and expected results and are shared and distributed throughout the organization as a basis for performance and rewards.

5.3 Recommendations

Management by objectives in its ideal firms operates in such a way that for the corporate goals to be realized, manager should consult his subordinates in drawing up unit objectives, which goes up the hierarchy from where it is modified, collected, approved and distributed throughout the organization.

Also there should be regular training and re-retraining of employees in order to be competent to achieve the corporate objectives.

Managers should endeavour to build a true team and individual effort together.

Manager and employees should periodically meets to review progress towards the realization of objectives.

There should be autonomy in implementation of plans once the objectives have been agreed upon the individual enjoying wide discretion in choosing the means for achieving the objectives without being directed by higher ranking manager.

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APPENDIX I

Department of Business Administration
and
Management
School of Business Studies
Auchi Polytechnic,
Auchi
Edo State

The Branch Manager,
First Bank Plc,
Edo State

Sir,

LETTER OF INTRODUCTION

I am a student of the Department of Business Administration and Management conducting a research on the topic “Management by Objective as an instrument for organizational performance. Using First Bank as a case study.

The purpose of this questionnaire is to seek your opinion on the above subject matter to enable me collect first hand information to supplement the data collected from other sources. No answer is right or wrong. So feel free to respond to the questions as they apply to your or from the point of view you see them.

Your kind assistance is required in order to make this research a success. Your respond will be treated confidential and your may not need to write your name on the form.

Thanks for your cooperation.

Yours faithfully,

OKONOFUA ESTHER OSAS

APPENDIX II

Section A

1. Sex: Male { } Female { }

2. Marital Status: Married { } Single { } Separate/divorced { }

3. Age: 18-30 years { } 31-45 years { } 46 and above { }

4. Academic qualification: WASC/SSCE/GCE { } ND/NCE { } HND/BSc { }

Section B

5. In your own opinion, what are the problems militating against the management by objectives as an instrument for organizational performance? Non-commitment of top managers { } Non-participation of employee { } Inappropriate remuneration { }

6. How often do managers and employees participate in the getting of goals in the organization? Often { } very often { } not often { }

7. Do you think that employees are given appropriate authority and responsibility for effective management by organization? Yes { } No { }

8. To what extent do you think motivation determine employee output of work or performance? Highly { } Fairly { } Lowly { } Not at all

9. Is it true that management by objectives helps to obtain total commitment of all the employees to work together to achieve a common goal? True { } not true { } undecided { }

10. Do you think that these factors improve performance of the employees and organizational performance in terms of achieving a common goal?
    Good and prompt salary { } promotion when due { } good relationship with management { } recognition of achievement { } all of the above

11. Is your bank achieving its objectives because it adopted management by objectives? Yes { }No { }

12. How often does the organization send its staff for training? Very often { } occasionally { } not very often { } don’t know { }

13. How is the relationship between you and your supervisor/boss? Excellent { } very good { } good { } rough { }