

Management by objectives and the Balanced Scorecard: will Rome fall again?

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Drucker introduced management by objectives (MBO) in the late 1950s. Kaplan and Norton introduced the Balanced Scorecard in the early 1990s. MBO and the Balanced Scorecard are management systems that align tangible objectives with an organisation's vision. This article compares and contrasts the two management systems. The examination concludes that the philosophical intents and practical application of MBO and the Balanced Scorecard stem from similar precepts. The examination of patterns of MBO implementation also illuminates possible problems in the application of the Balanced Scorecard. Implementation of MBO suffers from two main problems. Partial implementation: taking a portion of a prescription does not provide the cure. Second, a patent disregard for MBO's core philosophy that calls for goal congruence through collaboration. Our forecast is that partial implementation will remain as a problem for the Balanced Scorecard. An increasing rate of change in business encourages this (because development of organisation-wide scorecards takes too long). However, we think that current management will use more collaboration than was the case with MBO, because of the influence of total quality management (TQM which encourages collaboration).

Keywords: [Management](#), [Management by objectives](#), [Measurement Models](#), [Performance](#)

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