

Management by Objectives (MBO) as a strategic approach to enhancing employee productivity in public institutions in the Sultanate of Oman

Ahmed Omar Fadhil^{1*}, Ali Mohammed Al Awaid¹

¹Faculty of Leadership and Management, University Sains Islam Malaysia (USIM), Nilai, Malaysia.

*Corresponding Author Email: A7medfad7il@gmail.com

Received: 30/04/2026, Revised: 22/05/2026, Accepted: 21/06/2026, Published: 01/07/2026

Abstract:

This study aims to examine Management by Objectives (MBO) as a strategic approach to enhancing employee productivity in public institutions in the Sultanate of Oman the Office of the Governor of Dhofar, Dhofar Municipality, and Diwan Royal Court are the three primary organizations that are the subject of this study. The study is to investigate how employee productivity is impacted by three important MBO components: goal specificity and clarity, participatory decision-making, and performance feedback and review. 351 employees were given a standardized questionnaire as part of a quantitative descriptive-analytical approach. To assess the study hypotheses, correlation and regression analysis were applied to the data using SPSS. The results showed that employee productivity is positively impacted by all MBO characteristics in a statistically meaningful way. Following goal clarification and performance evaluation, participatory decision-making shown the greatest influence. The findings verify that MBO increases staff productivity by enhancing performance monitoring systems, increasing employee involvement, and improving goal alignment. The study's theoretical foundations are Goal-Setting Theory and Agency Theory, which describe how higher performance results result from management and staff alignment and explicit objectives. Finally, in order to increase efficiency and production in Omani public institutions, the study emphasizes the significance of implementing and improving MBO techniques. It offers managers and legislators useful suggestions for enhancing performance management systems in accordance with Oman Vision 2040.

Keywords: Management by Objectives, Productivity, Strategic Approach, Public Institutions.

1. Introduction

Public institutions now prioritize increasing staff productivity and organizational performance, especially in light of growing administrative and financial constraints that call for increased responsibility and efficiency. In this setting, Management by Objectives (MBO) has arisen as a strategic managerial technique that synchronizes individual goals with organizational objectives, the rebby fostering improved levels of performance and productivity. In public sector organizations, where attaining operational efficiency must be balanced with policy compliance and public service delivery, this approach is particularly pertinent.

The literature now in publication has examined MBO from a number of angles. Aminu (2019) and Aljomail (2025) are two examples of the numerous research that highlight its beneficial effects on worker productivity and performance. Its contribution to enhancing overall organizational effectiveness and performance results has been emphasized by several studies (Cyril-Nwuche, 2025; Loto & Anthony, 2025). The success of MBO implementation has also been shown to be significantly influenced by employee involvement in goal-setting (Kiwia & Kavishe, 2024; Orizu et al., 2023). Notwithstanding these efforts, there are still significant gaps, especially when it comes to the use of MBO in governmental institutions in underdeveloped nations. Despite its distinct administrative and cultural features, the Omani context in particular has seen little scholarly study.

As a result, the current study aims to investigate the efficacy of Management by Objectives as a tactical method for raising productivity in Sultanate of Oman public institutions. Whether MBO can successfully handle performance-related issues in the public sector and lead to better institutional results is the main study question. This study is important because it seeks to offer context-specific insights that might help administrative leaders and policymakers implement more efficient management techniques (Abdallah, 2024).

The study intends to accomplish a number of important goals, such as evaluating the effect of MBO on worker productivity, investigating the function of worker involvement in goal-setting, and determining whether this strategy is appropriate for the Omani public sector. A descriptive-analytical methodology will be used to achieve these goals, making use of suitable data gathering instruments including surveys and interviews to guarantee thorough and trustworthy results.

Although previous studies have widely examined Management by Objectives (MBO) and confirmed its positive impact on employee productivity and organizational performance, most of this research has been conducted in private sector contexts or outside the Arab region, limiting its applicability to public institutions in the Sultanate of Oman (Aminu, 2019; Aljomail, 2025; Cyril-Nwuche, 2025). Additionally, there is a lack of empirical evidence addressing how MBO operates within government settings characterized by bureaucratic structures and limited employee participation in decision-making, despite its recognized importance (Kiwia & Kavishe, 2024; Orizu et al., 2023). Furthermore, only a small number of studies have integrated new innovations like digital management systems or connected MBO to strategic performance outcomes (Chernyakov et al., 2024; Du et al., 2026). In order to close these gaps, this study uses a descriptive-analytical approach to empirically investigate the application of MBO in Omani public institutions. It focuses on goal alignment, employee participation, and strategic performance while incorporating modern administrative practices to offer context-specific and useful insights (Abdallah, 2024).

Although Management by Objectives (MBO) has been widely studied, limited empirical research has examined its strategic role in enhancing employee productivity within public institutions in the Sultanate of Oman. Most existing studies have focused on different sectors or countries, leaving a gap in understanding the effectiveness of MBO in the Omani public sector. This study aims to address this gap by providing empirical evidence on the relationship between MBO implementation and employee productivity in Omani public institutions.

Lastly, this paper is divided into multiple major sections. The theoretical framework and literature review are presented in the first section, followed by the research methodology in the second, the findings and their implications in the third, and conclusions and suggestions in the final section

2. Literature Review and Theoretical Background

In order to properly identify the research need and build the theoretical underpinning for the study, this part synthesizes the literature across four major categories.

2.1 Management by Objectives (MBO)

The literature defines Management by Objectives (MBO) as a methodical and collaborative management technique where managers and employees collectively develop organizational goals, and performance is assessed according to the attainment of these predetermined objectives. This strategy is a useful tool for enhancing both individual and organizational outcomes because it places a strong emphasis on goal alignment, accountability, and ongoing performance monitoring (Ogochukwu et al., 2022; Aljomail, 2025). Because it promotes clear expectations and active employee involvement, previous research have emphasized the significance of MBO in improving employee productivity, motivation, and job performance (Aminu, 2019; Hamilton & Nweye, n.d).

Furthermore, by connecting performance management with more general institutional objectives, MBO has been acknowledged as a strategic mechanism for enhancing organizational effectiveness across a variety of industries, including banking, education, healthcare, and agriculture (Cyril-Nwuche, 2025; Loto & Anthony, 2025; Nigar, 2025; Du et al., 2026). Additionally, recent studies highlight its applicability in contemporary, digitally-driven settings, where it facilitates strategic planning and data-driven decision-making (Chernyakov et al., 2024). Given

these contributions, MBO is a crucial strategic strategy that can improve performance and productivity in public institutions, which directly relates to the current study's focus on its implementation in the Sultanate of Oman.

2.2 Employee Productivity

The literature frequently defines employee productivity as the effectiveness with which workers use their abilities, time, and resources to accomplish corporate objectives and generate desired results. It shows an organization's success in terms of quality, efficacy, and consistency in addition to the amount of work completed (Ogochukwu et al., 2022; Lekaana & Mutabazi, 2023). Because it directly affects competitiveness, service quality, and overall performance outcomes, prior research has highlighted the importance of staff productivity in determining organizational success (Mallillin et al., 2024; Sethi et al., 2025).

Furthermore, studies show that elements like clear goal-setting procedures, employee involvement in decision-making, and efficient performance management systems greatly increase productivity (Kiwia & Kavishe, 2024; Orizu et al., 2023). By coordinating individual efforts with organizational goals and boosting motivation and job satisfaction, strategies like Management by Objectives (MBO) have been demonstrated to be crucial in raising productivity (Aminu, 2019; Fan, 2023; Aljomail, 2025). Because it offers a quantifiable signal to evaluate the efficacy of MBO as a strategic strategy in improving performance inside public institutions in the Sultanate of Oman, employee productivity is a crucial outcome variable in this study.

2.3 Public Institutions in the Sultanate of Oman

In the Sultanate of Oman, public institutions serve as the foundation for both sustainable development initiatives and the execution of governmental policies. In order to provide public services effectively and efficiently, these organizations collaborate with ministries, governorates, and public authorities within an integrated administrative framework. The strategic orientations of Oman Vision 2040, which prioritize improving government performance, bolstering governance, raising service quality, and encouraging accountability and openness, serve as a framework for their operations. According to official government sources (Government of Oman Portal, 2023; Oman Vision 2040), Oman is dedicated to creating a flexible and effective public sector that can enhance coordination among entities and achieve higher standards of public service delivery through modernization and digital transformation initiatives.

In this regard, public institutions are essential to the management of national resources and the execution of development initiatives in a variety of areas. While ministries are in charge of developing policies and carrying them out sectorally in sectors like agriculture, fisheries, water resources, and municipal services, governorates serve as an essential conduit between the federal government and local populations. Previous studies have also confirmed that the implementation of contemporary management techniques, such as Management by Objectives (MBO) and performance management systems, which improve productivity, efficiency, and accountability, is closely linked to the improvement of public sector institutions' performance (Sethi et al., 2025; Mallillin et al., 2024).

As a result, the Office of the Governor of Dhofar, the Dhofar Municipality, and Diwan of Royal Court are the three main government organizations that represent various facets of public sector operations in Oman. These organizations were chosen because of their strategic significance in managing local and natural resources, providing vital public services, and promoting regional development. Their varied administrative responsibilities, which range from operational service delivery to strategic planning and regulation, make them a suitable context for analyzing how well Management by Objectives works to boost worker productivity and improve institutional performance in line with national development objectives.

2.4 The Relationship between Management by Objectives and Employee Productivity

According to the referenced research, there are three main connections between Management by Objectives (MBO) and worker productivity:

1. MBO's positive direct effect on worker productivity: By making goals clear and coordinating individual efforts with corporate objectives, MBO has a direct and positive impact on staff productivity, according to numerous studies. Employee productivity and efficiency increase when they know exactly what is expected of them and how their performance is evaluated (Aminu, 2019; Aljomail, 2025; Hamilton & Nweye, n.d.). Ogochukwu et al. (2022) discovered that goal-oriented management methods greatly increase productivity levels, which further supports this association.

2. MBO increases production by motivating and involving employees, Participatory goal-setting, which is encouraged by MBO, boosts employee commitment, engagement, and involvement—all of which are important factors in productivity. Research indicates that when workers actively participate in establishing their own goals, they feel more accountable for reaching them, which raises performance levels (Kiwia & Kavishe, 2024; Orizu et al., 2023). By increasing engagement and job satisfaction, this participatory element enhances the connection between MBO and productivity (Fan, 2023).

3. Through strategic alignment and performance management, MBO increases productivity: By connecting individual performance with organizational strategy, MBO functions as an efficient performance management tool that boosts overall productivity. Studies show that companies who use MBO have improved performance monitoring, coordination, and evaluation (Cyril-Nwuche, 2025; Loto & Anthony, 2025). Further improving productivity results is the integration of MBO with contemporary systems and structured management techniques (Chernyakov et al., 2024; Du et al., 2026; Sethi et al., 2025).

2.5 Theoretical Lenses: Goal-Setting Theory and Agency Theory

This study is theoretically grounded in two complementary perspectives: Goal-Setting Theory and Agency Theory, which together explain the relationship between Management by Objectives (MBO) and employee productivity.

2.5.1 Goal-Setting Theory

According to Locke and Latham's goal-setting theory, setting clear, difficult goals improves worker performance by focusing attention, boosting effort, and maintaining motivation—especially when feedback is given (Locke & Latham, 2002; Latham, 2023). According to recent research, organized goal systems considerably enhance the performance of both individuals and organizations by making expectations clear and bolstering commitment to outcomes (Latham, 2023).

2.5.2 Agency Theory

Simultaneously, Agency Theory explains how MBO improves accountability and productivity by reducing information asymmetry and aligning the interests of management (principals) and employees (agents) through explicit performance contracts and quantifiable goals (Eisenhardt, 1989; Albrecht et al., 2023). By combining these two theories, MBO is comprehended as a governance instrument that guarantees alignment between employee behavior and company goals in addition to being a motivational mechanism.

The current study, which looks at how MBO improves goal clarity, accountability, and performance monitoring in organizations like the Office of the Governor of Dhofar, Dhofar Municipality, Diwan of Royal Court, is especially pertinent to this theoretical integration.

2.6 Synthesis and Research Gap

The literature consistently shows that Management by Objectives (MBO) improves employee productivity and organizational performance by clarifying goals, enhancing accountability, and aligning individual efforts with organizational objectives (Aminu, 2019; Aljomail, 2025; Ogochukwu et al., 2022). Additionally, it is highlighted that goal-setting by employees boosts motivation and output, increasing the effectiveness of MBO as a performance management tool (Kiwia & Kavishe, 2024; Orizu et al., 2023; Loto & Anthony, 2025).

Despite these findings, the majority of research has been done in non-Arab or private settings, with little attention paid to public institutions, especially in Oman. Additionally, there is a dearth of comprehensive studies looking at MBO in relation to national development frameworks like Oman Vision 2040 and within public sector governance

systems. In order to close this gap, this study examines the use of MBO in a few Omani public organizations and how it affects worker productivity. as illustrated in the Table (1) review of literature.

Table 1: Review of Literature

Title	Author / Year	Methodology	Findings	Recommendations
The impact of management by objectives on employee performance in IT company	Aljomail (2025)	Applied quantitative study (survey)	MBO has a significant positive impact on employee performance and productivity through clear goal setting and evaluation	Organizations should strengthen MBO implementation and improve performance appraisal systems
Impact of MBO on employee productivity in Vodafone Ghana	Aminu (2019)	Descriptive quantitative study	MBO improves employee productivity by enhancing clarity of objectives and motivation	Encourage participative goal setting and continuous feedback
MBO as a panacea for organizational performance (UBA PLC)	Cyril-Nwuche (2025)	Case study approach	MBO significantly improves organizational performance and efficiency	Adopt structured MBO systems and strengthen managerial commitment
Applying MBO to improve productivity and job satisfaction	Fan (2023)	Case study with mixed methods	MBO improves employee productivity, job satisfaction, and customer satisfaction	Integrate MBO with organizational development strategies
Management by objectives and employee productivity in oil and gas industry	Hamilton & Nweye (n.d.)	Empirical survey study	Positive relationship between MBO and employee productivity in the oil and gas sector	Implement strong performance monitoring and goal alignment
Employee participation and productivity in decision-making	Kiwia & Kavishe (2024)	Quantitative survey	Employee participation significantly enhances productivity	Increase employee involvement in decision-making processes
MBO in tertiary institutions	Loto & Anthony (2025)	Qualitative study	MBO improves effectiveness and management of higher education institutions	Strengthen leadership support and performance monitoring systems
Literature review on MBO and productivity	Ogochukwu et al. (2022)	Systematic literature review	MBO positively influences organizational productivity across sectors	Adopt MBO as a strategic performance management tool

This study is based on a large body of research that has looked at Management by Objectives (MBO) and how it affects worker productivity in various organizational settings. Clear goal-setting, increased accountability, and organized performance evaluation systems are all ways that MBO improves employee performance, as prior empirical research has repeatedly shown. For instance, Aljomail (2025) discovered that by enhancing objective clarity and feedback systems, MBO dramatically boosts employee performance in a Saudi Arabian IT organization. In a similar vein, Aminu (2019) found a favorable correlation between MBO and worker productivity at Vodafone Ghana, highlighting goal alignment and motivation as important factors that lead to better performance. In a similar vein, Hamilton and Nweye (n.d.) demonstrated the significance of goal coordination and performance monitoring by confirming a strong correlation between MBO and productivity in the oil and gas industry.

This understanding was expanded from a broader organizational perspective by Cyril-Nwuche (2025) and Loto and Anthony (2025), who showed that MBO enhances both individual productivity and overall organizational effectiveness, especially in structured institutional environments like banks and tertiary institutions. Fan (2023) further broadened the scope by demonstrating that MBO enhances customer and job satisfaction in addition to productivity, implying its function as a comprehensive organizational development tool. Furthermore, MBO is

widely acknowledged as a strategic performance management technique that improves organizational productivity across industries, according to a systematic review by Ogochukwu et al. (2022). More recently, Kiwia and Kavishe (2024) highlighted the significance of employee involvement in decision-making as a crucial element that enhances MBO's efficacy in raising productivity.

Theoretically, Goal-Setting Theory (Locke & Latham), which describes how precise and difficult goals improve motivation and performance, and Agency Theory, which emphasizes the function of MBO in lowering information asymmetry and coordinating employee behavior with organizational objectives, are the main theoretical pillars supporting this study. When taken as a whole, these theories offer a solid basis for comprehending how MBO serves as a governance and motivational tool.

Even while these studies have made significant contributions, the majority of previous research has been done in non-Arab or private sector settings, with little attention paid to public sector organizations, especially in the Sultanate of Oman. Additionally, rather of combining institutional performance and employee productivity into a single paradigm, prior research frequently looks at MBO from either a performance or behavioral standpoint. Additionally, there is little empirical data connecting the adoption of MBO to public sector reform initiatives like Oman Vision 2040.

As a result, this study makes a unique contribution by filling in these gaps by empirically examining MBO in a few Omani governmental organizations, including the Ministry of Agriculture, Fisheries Wealth and Water Resources, Dhofar Municipality, and the Office of the Governor of Dhofar. It gives context-specific insights into how MBO functions within the public sector governance system in Oman by integrating institutional performance and staff productivity into a single analytical framework. This work offers both theoretical enrichment and useful implications for administrators and policymakers, bridging the gap between international MBO literature and its practical use in Arab public institutions.

This study aims to develop a conceptual framework that identifies the impact of Management by Objectives (MBO) on employee productivity in public institutions in the Sultanate of Oman. Published studies have shown that the dimensions of Management (MBO) by Objectives influence employee productivity, and that there are three dimensions of MBO: Goal Specificity & Clarity, Participative Decision-Making, and Performance Feedback & Review, which are believed to contribute in enhancing employee productivity. Based on this, and the rationale mentioned above, the research conceptual framework was constructed as illustrated in Figure (1):

CONCEPTUAL FRAMEWORK OF THE STUDY

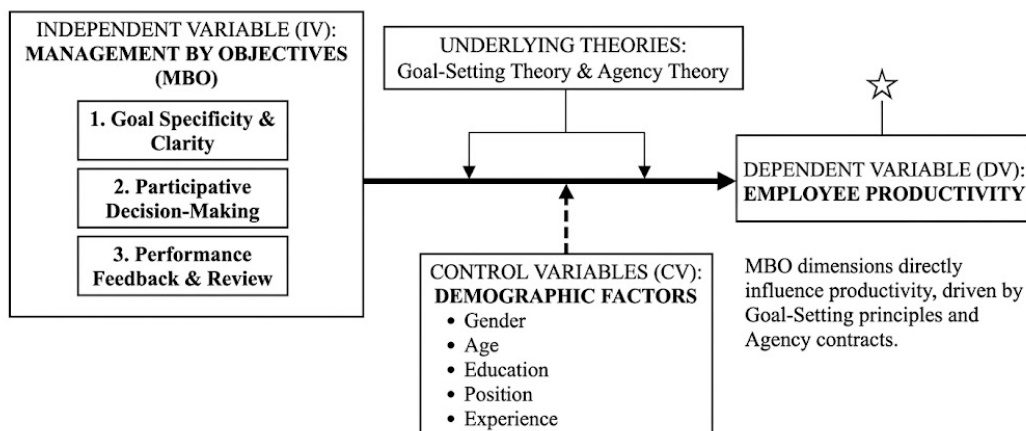


Figure 1: Conceptual framework of the study

Accordingly, the following hypotheses were formulated: The study proposed the following hypotheses:

H 1: *There is a statistically significant relationship between Goal Specificity & Clarity within MBO and employee productivity in public institutions in the Sultanate of Oman.*

H 2: *There is a statistically significant relationship between Participative Decision-Making within MBO and employee productivity in public institutions in the Sultanate of Oman.*

H 2: *There is a statistically significant relationship Performance Feedback & Review within MBO and employee productivity in public institutions in the Sultanate of Oman.*

3. Methodology

This study adopts a quantitative descriptive-analytical research design to examine the impact of Management by Objectives (MBO) on employee productivity in public institutions in the Sultanate of Oman. This approach is suitable because it allows the researcher to describe the phenomenon and analyze relationships between variables based on empirical data collected from respondents. Provide enough detail so that someone else can replicate your study. Highlight any limitations or challenges you faced and how you addressed them. Finally, ensure your methodology aligns with your research objectives and questions.

3.1 Research Design

The research used a cross-sectional survey design, which gathers information all at once. Without changing any variables, this methodology is suitable for determining the connection between MBO practices and employee productivity.

3.2 Population and Sample

The study population consists of employees in government institutions in the Oman. Three government institutions were selected: Diwan of Royal Court, the Office of the Governor of Dhofar, and the Dhofar Municipality, totaling 4,032 employees. A sample size of 351 respondents was deemed sufficient to reach a 95% confidence level, guaranteeing statistical representativeness and reducing sampling bias, according to the Krejcie and Morgan (1970) sampling table.

Table 2: Study Population

Institution	Number of Employees
Diwan of Royal Court	542
Office of the Governor of Dhofar	2192
Dhofar Municipality	1298
Total	4032

Table 3: Distribution of the Sample Members According to the Study Variables

Variable	Frequency	Percentage
Gender		
Male	314	89.5%
Female	37	10.5%
Academic Qualification		
High School Diploma	41	11.7%
Master's Degree	71	20.2%
Bachelor's Degree	172	49.0%
PhD	59	16.8%
Age		
Under 30 years	10	2.8%
30–39 years	108	30.8%
40–49 years	149	42.5%

50 years or older	84	23.9%
Position		
Employee	224	63.8%
Head of Department	68	19.4%
Manager	49	14.0%
General Manger	10	2.8%
Experience		
Under 5 years	42	12.0%
5–10 years	91	25.9%
10–20 years	132	37.6%
20 years or older	86	24.5%
Total	351	100%

Source: SPSS V.25 Output

Based on the data presented, the demographic analysis of the study sample, consisting of 351 participants, shows a clear representation of employees across the selected public institutions. In terms of gender, the majority of respondents were male (89.5%), while females represented 10.5% of the total sample. This indicates a strong male dominance in the workforce within the studied institutions.

Regarding age distribution, the largest proportion of respondents was between 40–49 years (42.5%), followed by those aged 30–39 years (30.8%), participants above 50 years (23.9%), and a small proportion under 30 years (2.8%). This suggests that the workforce is mainly composed of mid-career employees with considerable professional maturity and experience.

In terms of job position, most respondents were employees (63.8%), followed by heads of departments (19.4%), managers (14.0%), and general managers (2.8%). This distribution reflects a predominantly operational workforce with representation from different administrative levels, allowing for a balanced view of organizational practices.

With regard to educational qualification, nearly half of the respondents held a bachelor's degree (49.0%), followed by diploma holders (20.2%), master's degree holders (16.8%), secondary school qualifications (11.7%), and PhD holders (2.3%). This indicates that the sample is generally well-educated, which enhances the reliability of their responses.

Finally, concerning work experience, the highest proportion of respondents had between 10–20 years of experience (37.6%), followed by more than 20 years (24.5%), 5–10 years (25.9%), and less than 5 years (12.0%). This reflects a workforce with substantial professional experience, which strengthens the quality of insights provided in the study.

Overall, the demographic profile shows that the sample is diverse in terms of age, education, position, and experience, although it is predominantly male. This diversity provides a solid and reliable foundation for examining the role of Management by Objectives in enhancing employee productivity within public institutions in the Sultanate of Oman, as it captures perspectives from different hierarchical levels and professional backgrounds.

3.3 Data Collection Instrument

A structured questionnaire created in accordance with the goals of the study and pertinent literature was used to gather primary data. A five-point Likert scale, from Strongly Disagree (1) to Strongly Agree (5), was used in the questionnaire to gauge respondents' opinions about Management by Objectives (MBO) and employee productivity.

The theoretical framework was additionally supported by secondary data from books, academic journals, annual reports, and earlier empirical research on MBO and employee productivity.

3.4 Study Instruments

Based on the data collected from the pilot study, two types of tests will be conducted: validity, construct validity for the variables of the current study, and finally, two-stage reliability testing at the dimension and item levels.

Validity

Validity has less to do with the test's actual measure and more to do with how the scale appears to the person being tested (the sample). To put it another way, a scale is deemed face valid if it seems to measure the characteristics that it is supposed to. The assessment of a scale's face validity is always based on the viewpoint of the sample, not the designer's or user's, in contrast to other techniques for evaluating scale validity, such as construct validity, criterion validity, and content validity. Participants' confidence, motivation to complete the scale, and cooperation with the researcher frequently decline when a scale lacks face validity. In order to create a strong basis that motivates participants to finish the test, the researcher needs make sure the scale has face validity (Mikael, 2018). The questionnaire will be submitted to the supervisor for preliminary assessment and approval once it has been finalized in its original form and checked for spelling and grammar mistakes. After that, it will be examined by a group of scholars to verify that the content is appropriate and that the questionnaire items are in fact created to achieve the goals of the study. Seven reviewers are needed. The researcher will finalize the research instrument based on the advice and changes given by the scholars and experts who will review the questionnaire through additions, deletions, and revisions. The degree to which the data collection tool successfully measures the desired data is known as the validity of the research instrument. Face and concept validity were used to verify the research instrument's validity.

Reliability

To confirm the instrument's technical soundness and clarity, a pilot research was carried out on a sample of thirty people from the same industry. Cronbach's Alpha was used to test the research tool's dependability utilizing the Internal Consistency approach based on the replies gathered. For the entire instrument, the statistical analysis produced a Cronbach's Alpha coefficient of 0.931. This remarkably high result indicates that the questionnaire is very reliable and appropriate for the primary field study, as the generally recognized criterion in the social and administrative sciences is (0.70). The distribution of variables and the specific reliability findings for each dimension are shown in Table (3).

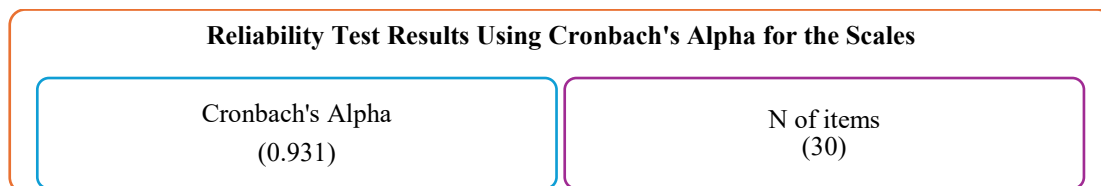


Figure 2: Reliability Test Results Using Cronbach's Alpha for the Scales

Source: SPSS V.25 Output

It is evident from Figure (2) that the Cronbach's Alpha coefficient for the scales is (0.931), indicating that the scales possess satisfactory reliability and demonstrate good internal consistency

4. Result and Discussion

4.1 Results

H 1: *There is a statistically significant relationship between Goal Specificity & Clarity within MBO and employee productivity in public institutions in the Sultanate of Oman.*

Table 4: Results Related to the Study Hypotheses (1)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.901	0.835	0.811	0.374	75.341	0.000

Source: SPSS V.25 Output

The findings in Table 4 demonstrate a robust and statistically significant correlation between staff productivity in Oman's governmental institutions and Goal Specificity & Clarity within MBO. A very strong positive association is indicated by the correlation value ($R = 0.901$). Goal clarity and specificity account for 83.5% of productivity increases, according to the model, which explains a large percentage of variance in employee productivity ($R^2 = 0.835$). Additionally, the model is statistically significant ($F = 75.341$, $\text{Sig.} = 0.000$), indicating that this association is not the result of chance. Overall, these findings corroborate Hypothesis 1, showing that MBO goals that are more precise and unambiguous greatly increase worker productivity.

H 2: *There is a statistically significant relationship between Participative Decision-Making within MBO and employee productivity in public institutions in the Sultanate of Oman.*

Table 5: Results Related to the Study Hypotheses (2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.912	0.832	0.810	0.365	79.506	0.000

Source: SPSS V.25 Output

The findings in Table 5 demonstrate a substantial and robust correlation between employee productivity and MBO's Participatory Decision-Making. While $R^2 = 0.832$ implies that employee engagement in decision-making accounts for 83.2% of employee productivity, the correlation ($R = 0.912$) demonstrates a very high positive link. The association is not the result of chance because the model is statistically significant ($F = 79.506$, $\text{Sig.} = 0.000$). All things considered, Hypothesis 2 is validated, indicating that staff productivity in Omani public institutions is greatly increased by participatory.

H 3: *There is a statistically significant relationship Performance Feedback & Review within MBO and employee productivity in public institutions in the Sultanate of Oman.*

Table 6: Results Related to the Study Hypotheses (3)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	0.878	0.771	0.752	0.410	61.328	0.000

Source: SPSS V.25 Output

Employee productivity in governmental institutions in the Sultanate of Oman is positively correlated with Performance Feedback & Review inside MBO, as shown in Table 6. $R^2 = 0.771$ reveals that performance reviews and feedback account for 77.1% of the variation in employee productivity, while the correlation coefficient ($R =$

0.878) demonstrates a strong positive association. The association is not the result of chance because the model is statistically significant ($F = 61.328$, $\text{Sig.} = 0.000$). All things considered, Hypothesis 3 is validated, indicating that efficient performance evaluation and feedback inside MBO greatly increase worker productivity.

Table 7: Summary of Regression Results

Hypothesis	R	R ²	F	Sig.	Result
H1: Goal Specificity & Clarity → employee productivity	0.901	0.835	75.341	0.000	Accepted
H2: Participatory Decision-Making → employee productivity	0.912	0.832	79.506	0.000	Accepted
H3: Performance Feedback & Review → employee productivity	0.878	0.771	61.328	0.000	Accepted

The results presented in Table 7 show that all three hypotheses are statistically significant and therefore accepted. Overall, all dimensions of Management by Objectives (MBO) demonstrate a strong positive relationship with employee productivity in public institutions in the Sultanate of Oman. All significance values ($\text{Sig.} = 0.000$) indicate that the relationships are highly statistically significant, confirming that MBO dimensions collectively play a key role in enhancing employee productivity in Omani public institutions.

4.2 Discussion

This study's findings offer compelling empirical proof that Management by Objectives (MBO) significantly boosts worker productivity in government agencies in the Sultanate of Oman. The main components of MBO—goal specificity and clarity, participatory decision-making, and performance feedback and review—play a critical role in boosting employee productivity, as demonstrated by the support for all investigated hypotheses.

The results of Hypothesis 1 showed that employee productivity is strongly positively correlated with goal specificity and clarity. This is consistent with the Goal-Setting Theory (Locke & Latham), which highlights how employees' focus, motivation, and performance are enhanced by well-defined goals. Employees are more likely to work well and produce more when they are aware of what is expected of them. This outcome is in line with earlier research by Aminu (2019) and Aljomail (2025), which shown that employee performance in organizational contexts is much enhanced by clear objectives.

In reference to Hypothesis 2, the findings demonstrated that employee productivity is most strongly impacted by participatory decision-making inside MBO. This suggests that giving workers a say in goal-setting improves their sense of accountability, ownership, and dedication to company goals. Agency Theory, which contends that lowering the distance between management (principals) and employees (agents) enhances alignment and performance outcomes, provides substantial support for this conclusion. Additionally, it confirms the findings of Orizu et al. (2023) and Kiwia and Kavishe (2024), who emphasized that employee participation greatly increases engagement and productivity.

According to the study, staff productivity is significantly increased by performance reviews and feedback, supporting Hypothesis 3. Employees can assess their performance level, pinpoint areas for development, and modify their behavior in response to ongoing feedback. This is in line with Fan (2023), who highlighted that by offering guidance and chances for ongoing improvement, performance feedback within MBO improves job performance and happiness. It also validates the findings of Cyril-Nwuche (2025), who discovered that systematic performance monitoring enhances organizational efficacy.

Overall, the results show that MBO is a holistic performance management system that incorporates goal-setting, employee interaction, and ongoing evaluation rather than a one-dimensional approach. The findings also demonstrate that of the three characteristics, participatory decision-making has the greatest impact, underscoring the significance of worker participation in public sector productivity.

The findings indicate that Participative Decision-Making had the strongest effect on employee productivity because involving employees in setting objectives enhances their sense of ownership, commitment, motivation, and accountability, leading to improved performance in public institutions. These results suggest that Omani public organizations should strengthen employee participation, establish clear objectives, and provide regular performance feedback to maximize the effectiveness of Management by Objectives (MBO). However, the study is limited to selected public institutions in the Sultanate of Oman and is based on cross-sectional survey data, which may limit the generalizability of the findings. Future research is recommended to examine MBO in different sectors and regions of Oman, adopt longitudinal research designs, and investigate additional factors such as organizational culture, leadership style, and employee engagement that may influence the relationship between MBO and employee productivity.

research, which supports the beneficial effects of MBO on productivity in a variety of industries (Ogochukwu et al., 2022; Loto & Anthony, 2025). Nonetheless, this study makes a distinctive contribution by concentrating on public institutions in the Sultanate of Oman, an understudied setting, especially the Dhofar Municipality, the Office of the Governor of Dhofar, and Diwan of Royal Court.

5. Conclusion

This study examined the impact of Management by Objectives (MBO) on employee productivity in selected public institutions in the Sultanate of Oman. The findings confirmed that all dimensions of MBO—goal clarity, participatory decision-making, and performance feedback—have a significant positive effect on employee productivity. Among these, participatory decision-making showed the strongest influence.

Additionally, the study showed that MBO is a successful performance management strategy that improves employee accountability, motivation, and alignment with company objectives. Clear goals, staff involvement, and ongoing feedback all contribute to increased productivity, as demonstrated by the research's integration of Goal-Setting Theory and Agency Theory.

In conclusion, the study highlights the importance of strengthening MBO practices in Omani public institutions to improve efficiency and performance, in line with national development goals such as Oman Vision 2040.

6. Acknowledgement

I want to sincerely thank my supervisor for all of their help and assistance during this project. I also thank the management and employees of the Office of the Governor of Dhofar, Dhofar Municipality, and the Diwan of Royal Court for their cooperation and assistance in data collection.

I would especially like to thank my family and friends for their support and encouragement. Lastly, I would want to thank all of the researchers that helped with this study

References

- Abdallah, W. (2024). The budget management by objectives in Tunisia. *Defense Resources Management in the 21st Century*, 1(1), 8–15.
- Albrecht, S. L., et al. (2023). Agency theory and performance management systems. *Human Resource Management Review*.
- Aljomail, B. (2025). The impact of management by objectives on employee performance: An applied study of the Family Care Platform Information Technology Company in Riyadh. *Midocean Journal for Research and Studies*, 1(3).
- Aminu, S. I. (2019). Impact of management by objectives (MBO) on employee productivity in Vodafone Ghana. *Texila International Journal of Management*.
- Chernyakov, M., Chistyakova, O., & Chernyakov, V. (2024). Management by objectives: Modeling the investment policy of service enterprises from the perspective of the digital economy. In *2024 9th International Conference on Energy Efficiency and Agricultural Engineering (EE&AE)* (pp. 1–6). IEEE.

- Cyril-Nwuche, O. F. (2025). Management by objectives as a panacea for the achievement of organizational performance: A study of United Bank for Africa PLC. *International Journal of Finance, Accounting and Management Studies*, 2(3), 19–36.
- Develi, A. (2023). General view of management by objectives. *Yönetim ve Örgüt Tarihi Dergisi*, 2(1), 82–93.
- Du, R., Zhang, S., He, F., Qiu, H., Chen, J., & Zhang, X. (2026). Application of management by objectives in the standardized management of orthopedic nursing safety adverse events: A prospective study. *Quality Management in Healthcare*. Advance online publication.
- Eisenhardt, K. M. (1989). Agency theory: An assessment and review. *Academy of Management Review*, 14(1), 57–74.
- Fan, T. (2023). Applying management by objectives as an organizational development intervention for improving employee productivity, job satisfaction, performance, and customer satisfaction: A case study of a company in Thailand. *Nurture*.
- Kiwia, C. J., & Kavishe, A. M. (2024). The implications of employee participation in decision-making on employee productivity at the Mwalimu Nyerere Memorial Academy–Karume Campus, Zanzibar. *African Journal of Empirical Research*.
- Latham, G. P. (2023). Motivate employee performance through goal setting. In *Principles of Organizational Behavior: The Handbook of Evidence-Based Management* (3rd ed., pp. 83–111).
- Lekaana, S., & Mutabazi, D. M. (2023). Effects of employee performance management on productivity of Safaricom. *The International Journal of Business & Management*.
- Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57(9), 705–717.
- Loto, A. B., & Anthony, A. A. (2025). Management by objectives: Pathway to achieve effective management of tertiary institutions in South West, Nigeria.
- Mallillin, L. L., Caday, M. A., & Canda, E. G. (2024). Management style and employee productivity toward organizational outcomes. *European Journal of Alternative Education Studies*.
- Nigar, T. M. (2025). Application of management by objectives in agricultural extension centers, Sulaymani Governorate, Kurdistan Region of Iraq. *Dijlah Journal of Agricultural Sciences*, 4(2), 27–38.
- Ogochukwu, O. E., Amah, A., Edwinah, E., Okocha, O., & Friday, B. (2022). Management by objectives and organizational productivity: A literature review. *South Asian Research Journal of Business and Management*.
- Orizu, C. H., Ohanyere, C. P., & Ifechukwu-Jacobs, C. J. (2023). Participative management and employee productivity in agro-entrepreneurship firms in Anambra State. *International Journal of Small Business and Entrepreneurship Research*.
- Sethi, S., Arshad, Z., Ali, M., & Wadood, F. (2025). Navigating the role of performance management strategies in influencing employee productivity in the banking sector of Pakistan. *Review of Applied Management and Social Sciences*, 8(1), 455–470.
- Shehabi, E., & Lleshi, S. (2023). Marketing objectives and quality systems for enterprise development. *Economic Vision International Scientific Journal in Economics, Finance, Business, Marketing, Management and Tourism*, 10(19–20), 98–102.

الإدارة بالأهداف كنهج استراتيجي لتعزيز إنتاجية الموظفين في المؤسسات العامة في سلطنة عُمان

أحمد عمر فاضل^{١*}، علي محمد العوائد^١

^١ كلية القيادة والإدارة، جامعة العلوم الإسلامية الماليزية، نيلاي، ماليزيا

الملخص:

تهدف هذه الدراسة إلى دراسة الإدارة بالأهداف (MBO) كمدخل استراتيجي لتعزيز إنتاجية الموظفين في المؤسسات العامة في سلطنة عُمان. وتركز الدراسة على ثلاث مؤسسات رئيسية هي: مكتب محافظ ظفار، وبلدية ظفار، وديوان البلاط السلطاني. وتبحث الدراسة في تأثير ثلاثة أبعاد رئيسية للإدارة بالأهداف، وهي: وضوح وتحديد الأهداف، والمشاركة في اتخاذ القرار، والتغذية الراجعة وتقييم الأداء، على إنتاجية الموظفين. تم اعتماد المنهج الوصفي التحليلي الكمي، حيث تم توزيع استبانة منظمة على ٣٥١ موظفًا. وتم تحليل البيانات باستخدام برنامج SPSS من خلال أسلوب الارتباط والانحدار لاختبار فرضيات الدراسة. وأظهرت النتائج أن جميع أبعاد الإدارة بالأهداف لها تأثير إيجابي ذو دلالة إحصائية على إنتاجية الموظفين، حيث كان لبُعد المشاركة في اتخاذ القرار التأثير الأقوى، يليه وضوح الأهداف ثم التغذية الراجعة وتقييم الأداء. وتؤكد النتائج أن الإدارة بالأهداف تسهم في رفع إنتاجية الموظفين من خلال تحسين مواءمة الأهداف وزيادة مشاركة الموظفين، وتعزيز أنظمة متابعة وتقييم الأداء. وتعتمد الدراسة على نظرية تحديد الأهداف ونظرية الوكالة، اللتين تفسران كيف يؤدي وضوح الأهداف ومواءمة الإدارة مع الموظفين إلى تحسين الأداء. وفي الختام، تؤكد الدراسة أهمية تبني وتعزيز ممارسات الإدارة بالأهداف في المؤسسات العامة في سلطنة عُمان لتحسين الكفاءة والإنتاجية، كما تقدم توصيات عملية لصناع القرار والمديرين بما يتماشى مع رؤية عُمان ٢٠٤٠.

الكلمات المفتاحية: الإدارة بالأهداف، إنتاجية الموظفين، النهج الاستراتيجي، المؤسسات العامة.