

Goal Setting Theory: What It Implies for Strategic Human Resource Development

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Abstract

Among numerous motivational theories, goal setting theory particularly can serve strategic human resource development practices. The goal-setting theory suggests that organizational goals have to be communicated clearly and the goals need to be specific enough. Another feature of goal-setting is that they need not be too easy or perceived to be impossible to fulfill. SHRD personnel should keep in mind that some employees prefer to work individually toward fulfilling a goal, while others prefer to work in groups. Depending on the nature of the task, employee group or individual work preference should be in accord with the goals. Employee self-efficacy perceptions, too, play a role in identifying appropriate goals. People with high self-efficacies, could find a particular goal to be challenging, and thus, feel more motivated to achieve, or too easy and thus, lose spirit. Another important aspect of goal-setting theory is the employee setting examples for their colleagues. Constructive feedback from supervisors also helps employees achieve the set goals better. Last, but not least, the cultural diversity of the current workplace requires HRD personnel to be sensitive toward the needs of the diverse employees.

Keywords: Goal-setting Theory, Strategic Human Resource Development.

INTRODUCTION

The purpose of this paper is to review the literature for Goal Setting Theory (GST) and how it could possibly contribute to the field of human resource development (HRD) and its practitioners. There is no doubt that motivation is one of the leading constructs when it comes to investigating workplace behavior, which is performance. Why employees perform in a way that is desired by employers or not, the reason behind it, what keeps and leads them to do what they are doing, and how long they would behave the way they do are all examined under the construct of motivation. There have been numerous motivational theories suggested to improve the performances of employees: Need theories, equity theory, expectancy theory, behavioral approaches, intrinsic motivation, reinforcement theory, self-efficacy theory, and goal setting theory are the existing theories of employee motivation.

The extensive research done over goal-setting theory (GST) revealed that it is much more complicated than it was once believed (Smither, 1998). Thus, the major underlying questions that will be sought to answer in this paper are what goal setting theory is, How HRD can employ goal setting strategically, and if HRD practitioners can develop an intervention plan utilizing goal setting theory.

1. Goal Setting Theory

Employees are expected to perform in certain ways to optimize the operations of an organization. In order to achieve this, numerous ways have been tried on employees to keep them doing as they are supposed to. While some of these have worked some have not. What makes the employees perform in the optimum level desired by their employers falls into the field of motivation. Latham and Budworth (2007) state that the motivation of employees is the dominant concept in the field of industrial and organizational psychology today. This is also evident from the amount of research that has been done on employee motivation toward the end of the last century. However, this was not the case in the first start of the twentieth century as the focus was primarily on employee selection. Latham and Budworth (2007) examine the twentieth century industrial and organizational psychology literature in order to track the development of interest in employee motivation. They find out that in the first quarter of the century, observable behaviors and the stimuli behind them were the main interest of behavioral psychologists. Those psychologists were not interested in the motivational impetus of those behaviors. Attitudes were believed to be the driving force behind employee motivation in the second quarter of the century. It was in the third quarter of the century that industrial and organizational psychologists started to focus on employee needs and their cognition, which provided the fundamental structure of the theories of employee motivation.

Even though the concept of motivation has been discussed and analyzed for a long time, it is still hard to define (Spector, 2000). Smither (1998) provides a definition for motivation from an industrial and organizational psychology perspective. He states that “motivation is the force that moves people to perform their jobs” (Smither, 1998, p. 204). Spector (2000) gives a similar, but more general definition of motivation as “an internal state that induces a person to engage in particular behaviors” (p. 176). Employee motivation has been studied from different perspectives and there have been several employee motivation theories. Among all those motivation theories, GST is considered to be the most useful one among industrial and organizational psychologists (Spector, 2000). Smither (1998) indicates that among all other work motivation theories, goal setting theory is currently the most researched one.

Locke (1978) believes that goal-directedness is one of the major attributes of all living things; however, not all goal-directed actions are purposeful. The major difference of employee (human) behaviors is that they are not only goal-directed, but also purposeful. Locke (1978) takes a different standpoint from behavioral psychologists stating that purposefulness is not automatic for human beings and it is not determined by either instinct or environmental conditioning. According to him, purposeful action is determined by choice. Workplace is the setting that requires purposeful action and determining purposes consciously is willful, and thus organizations need to have their employees set goals, which then contributes to fulfilling organizational objectives. O’leary-Kelly, Martocchio, and Frink (1994) state that goals lead to enhanced performances because they “mobilize effort, direct attention, and encourage persistence and strategy development” (p. 1285).

Latham and Locke (1991) state that an individual’s goals regulate conscious human behavior, and that is what that makes it purposeful. They further

elaborate on the notion that human behaviors are unique among living things, as their behaviors are not only goal-directed, but also conscious in nature. In other words, the basic underlying logic behind goal setting theory is that human actions are purposefully directed ones. The question of why some employees do their job better than others is the main focus of goal setting theory. The theory's immediate focus is to be able to understand the individual differences on fulfilling work-related tasks. According to goal setting theory, having different performance goals is the underlying motivational explanation for why some people perform better than others.

The two major features of human goals are the content and the intensity of the goals (Latham and Locke, 1991). The research that has been conducted on GST has focused on the specificity and the difficulty as regards to content of the goals. Specificity refers to the goals being very specific rather than vague. Difficulty refers to the level of the goal that is intended to be achieved; however, the level of difficulty is not constant as it depends on the individual that is going to reach that goal. One individual might find a specific goal easy, while another might find it very hard. When the individual's ability and commitment are adequate enough, he/she performs better when the goals are harder. In other words, the harder the goal is, the higher the performance.

Latham and Locke (1991) point out that specificity and difficulty attributes of the goals have been primarily studied and the findings are consistent in that specific and difficult goals lead to better and higher performances as opposed to vague and unchallenging goals. Latham and Steele (1983) emphasize that there is a linear relationship between the difficulty of attaining the goal and the performance produced in actually attaining it.

Intensity, which is the second characteristic of goals, refers to the mental process which involves "scope, clarity, mental effort, etc." (Latham and Locke, 1991, p. 216). Research findings indicate that the individuals who are engaged in reaching a goal deeply and expansively are more likely to be committed to achieving the goal. Another finding is that the higher the subject is committed to the goal, the better he/she performs.

Ivanchevich (1977) reports that some researchers suggest that the performance will be higher when the employees participate in the goal-setting process. However, based on their research, Latham and Locke (1991) state that there is not a significant difference in goal setting treatments, namely, the performance remains almost equal when the goals are assigned and when they are set with the participation of the employee. However, Latham and Locke (1991) elaborate on the fact that both assigned and participatively-set goals result in better performances than the ones that are merely told. Latham and Steele (1983) point out that participation does not have an effect on the performance. One of the conclusions that are suggested by Latham and Steele (1983) is that "participation in goal setting resulted in greater understanding of task requirements that that which occurred when goals were assigned to subjects" (p. 416).

Even though GST is regarded as the most useful motivational theory that is supported by empirical research, there is also a lot of criticism of the theory. Yearta, Maitlis, and Briner (1995) point out that much of the research was done in controlled environments and the goals that were supposed to be

achieved by the subjects were straightforward and very clear. The subjects were able to assess whether they completed and reached the goals successfully. However, in authentic, real-life organizations, the tasks that are supposed to be completed are usually more complicated and unclear, unlike in controlled laboratory settings, which often results in not being able to determine whether a goal is achieved.

The other criticism is that the studies that have been done in controlled environments have used simple, single, and clear goals, which are often in contrast to the real organizations in which the tasks are usually multifaceted. The employees, unlike the subjects used in research, try to accomplish the tasks under distractions, stress, and limited time period all of which contribute negatively toward goal achievement (Yearta, Maitlis & Briner, 1995).

2. Implications for HRD

How can HRD practitioners employ goal setting theory strategically?

Despite the lack of methodological applications of goal setting theory, human resource development (HRD) practitioners can strategically utilize GST to help organizations further their employee performances. Before getting into explaining how this could be achieved, examining the definition of strategic resource development would lay the foundation for the employment of GST in HRD practices:

The strategic management of training, development and of management/professional education interventions, so as to achieve the objectives of the organization while at the same time ensuring the full utilization of the knowledge in detail and skills of individual employees. It is concerned with the management of employee learning for the long term keeping in mind the explicit corporate and business strategies. (McCracken and Wallace (2000, p. 282).

As it could be understood from the above definition, strategic human resource development could be achieved following the steps of GST, which include defining the organization's business, identifying strengths and weaknesses, analyzing the organization's environment, identifying threats and opportunities based on the previous step, setting strategic goals based on the knowledge gained from the previous steps, and ensuring these goals will be achieved. While setting goals, knowing the organization, its business, strengths and weaknesses, which also includes the human resources, as well as the threats and opportunities the environment presents carry a crucial role.

Latham and Locke (1991) suggest that managers can be key people in communicating the goals to the employees. Managers can persuade the employees that the goals are attainable. HRD personnel should train managers in setting goals and then elaborating them to their subordinates. HRD practitioners should convince management that goal setting is not an easy task that can be done without careful analysis of employees' self-efficacy aligned with the task difficulty.

HRD practitioners can benefit from employees positively influencing each other by persuasion and by being role models (Latham and Locke, 1991). Since publicly agreed goals will lead to higher commitment to the goals, HRD

personnel should train managers to have the employees agree on the goals publicly rather than letting them merely agree to strive in private.

Since “people with high self-efficacies are more likely to choose difficult (high) goals than those with low self-efficacy” (Latham & Locke, 1991, p.220), HRD experts should help management identify people of high and low self-efficacies. By doing this, management will be able to assign adequate goals to right people, which will result in better overall performance.

Although there is not enough evidence whether assigned or participatively-set goals have more positive effect on performances, communicating the goals (even the assigned ones) with the individuals (or groups) leads to a more democratic work-setting, which can lead to better comprehension and consensus among employees.

Another important aspect of goal setting theory, according to Latham and Locke (1991), is that feedback should help employee commitment to specific difficult goals, which increases motivation. Amano (1999) states that feedback is a critical element for improving performance because it informs the individual (or group) about his/her performance in a timely fashion. HRD experts should train managers and supervisors on how to give positive feedback toward a successful goal achievement.

Spector (2000) lists and summarizes the necessary factors for goal setting to improve job performance. The first factor is that employees should accept the goals. Next, feedback should be provided during the progress toward goals. Third, goals should be challenging and difficult. The last factor is that goals should be specific enough. Any goal-setting program should contain the above mentioned factors, in order for it to result in a successful performance.

In some cases, group goals are preferable to goals for individuals. Spector (2000) states that in a fish-processing plant, the goals set for groups resulted in better performances. Depending on the nature of the task, HRD practitioners should include training for determining whether group or individual goals would result in better performance.

Smither (1998) lists three criteria in order for goal setting to be successful: goals must be specific, have time limits, and be challenging, but attainable. He further elaborates that besides the above criteria, it is crucial that employees accept the goals and be committed to them. These criteria are supported by research and should be embedded in HRD training practices.

Clark (1999) posits that avoidance and delay of tasks are indications of the existence of a commitment problem. He, then, suggests that when there is a commitment problem, it is time to use motivational systems. HRD personnel could help supervisors detect the existence of a commitment problem and use goal setting as an intervention.

Latham and Locke (1984) discuss and elaborate on the differences between strategic and individual job goal-setting. According to them, strategic goals are broader in scope than individual ones. Even though strategic goal setting may look less complex, on the contrary, it is far more complicated. In order to set strategic goals, Latham and Locke (1984) suggest that organizations should follow six steps:

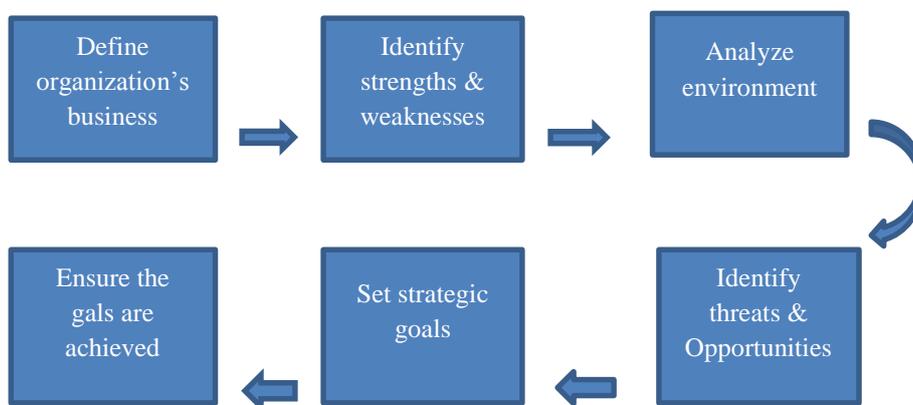


Figure 1: Goal Setting Process

- Step 1 : Defining what the organization's business;
- Step 2 : Organization's strengths and weaknesses must be identified;
- Step 3 : Analysis of the organization's environment, which includes competitors and their strengths and weaknesses;
- Step 4 : Based on the environment analysis, identifying threats and opportunities;
- Step 5 : Setting strategic goals based on the information gathered from the above steps; and
- Step 6 : Ensuring that the set goals will be achieved.

Since the employee population is getting culturally more and more diverse, HRD practitioners must be careful about employing the appropriate strategy and method for goal setting. Silverthorne (2005) states that individual and gender differences play a critical role in selecting motivational interventions to improve performances, as different individuals, genders and cultures respond to different types of motivators. Some cultures value group efforts, while others value individual efforts. Therefore, cultural and individual differences and attributes should not be ignored while planning and delivering training on goal setting.

RESULTS

Among all the main motivation theories in the field of organization/industrial psychology, GST is the most popular one that HRD practitioners can employ while strategically contributing to the betterment of employee performances. Even though there are no clear methodological suggestions in the literature for HRD people to utilize GST as part of their training interventions, the analysis of the literature reveals information that can be implemented in training programs. In addition, HRD experts should train and provide feedback for managers and supervisors on how to use goal setting as to improve performance in the organization.

The review of the literature has revealed that whether goals are assigned to the employees or they are set participatively, they have to be communicated clearly. The employees should know what the goal is, which is another feature of goal setting: specificity. Next, the goals need not be too easy or perceived to be impossible to fulfill; thus, they should be perceived as achievable by particular employees or group of employees. SHRD personnel should keep in mind that some employees prefer to work individually toward fulfilling a goal, while others prefer to work in groups. Depending on the nature of the task, employee group or individual work preference should be in accord with the goals. Employee self-efficacy perceptions, too, play a role in indentifying appropriate goals. People with high self-efficacies, could find a particular goal to be challenging, and thus, feel more motivated to achieve, or too easy and thus, lose spirit. Another important aspect of goal-setting theory is the employee setting examples for their colleagues. Constructive feedback from supervisors also helps employees achieve the set goals better. Last, but not least, the cultural diversity of the current workplace requires HRD personnel to be sensitive toward the needs of the diverse employees.

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