

Employees' Responses to Planning

by Sophia



WHAT'S COVERED

In this lesson, you will learn about the impact that control has on organization members. Specifically, this lesson will cover:

1. Goal Theory

1a. Characteristics of Goals That Motivate Performance

2. Goal Setting and Employee Job Satisfaction

2a. Managing Through Goal Setting

3. Controlling as an Organizational Activity

3a. Controlling and the Control Process

3b. The Need for Control

3c. A Control Model

1. Goal Theory

Managers, of course, want their employees to work hard. However, effort alone is not enough; it must be directed toward the appropriate target and executed in a proper manner. The question we explore here is, do planning, goal setting, and the development of action statements have a favorable impact on employee motivation, performance, and job satisfaction?

We turn to **goal theory** for our answer. Research provides us with a clear and unequivocal picture of the effects of setting goals for organizational members. Goal theory specifies that certain types of goals motivate employee behavior and thereby contribute to the level of employee performance. Goal theory, while somewhat narrow in scope, is the most completely supported theory of motivation (Locke & Latham, 1990). You have learned or will learn about the implications of goal setting as a fundamental part of the planning process and as a standard for the exercise of control when studying motivation. For goals to be effective, they must be difficult, specific, and accepted by the employee, and they must be met with feedback from management. Manufacturers often use production goals to motivate employees.



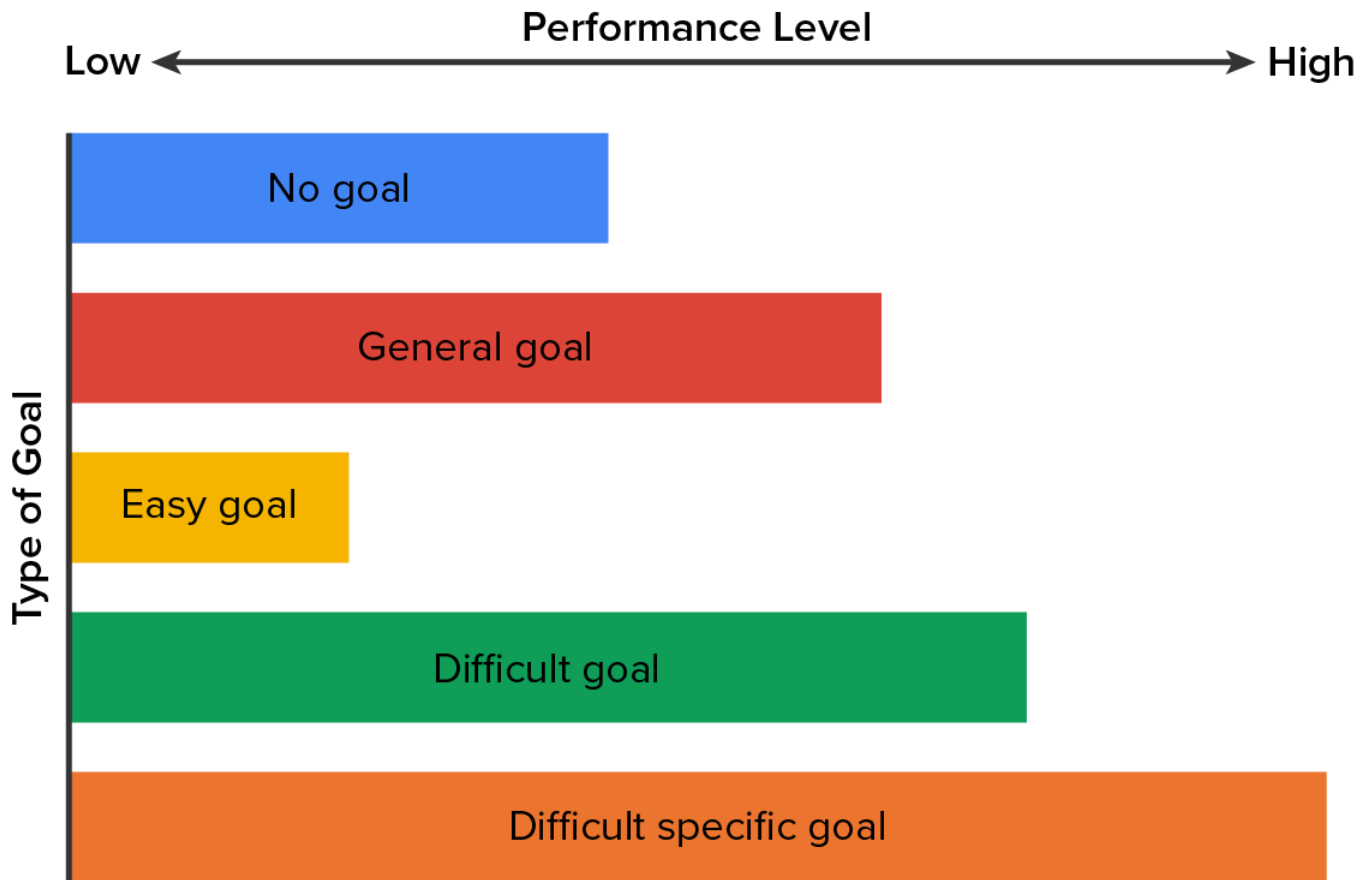
TERM TO KNOW

Goal Theory

The most completely supported theory of motivation that specifies a link between certain types of goals and motivation, improving employee performance.

1a. Characteristics of Goals That Motivate Performance

Goal theory (and the research related to it) highlights several important goal attributes—goal difficulty, goal specificity, goal acceptance and commitment, and goal feedback. As the diagram below shows, workers who have a goal, even if it is quite general, usually perform better than those with no goals. Yet certain types of goals are more effective than others. Two primary characteristics of goals that enhance their motivating potential are goal specificity and goal difficulty (Locke, 1982). With regard to goal specificity, a goal that states “improve your performance” or “do your best” is generally not very effective because it is too general.



The second component of an effective goal is goal difficulty. People with difficult goals perform better than those with easy goals (note the third and fourth bars in the diagram above). If goals are perceived as too difficult or impossible, however, they lose their motivating effectiveness. Ideally, goals will be both specific and difficult. Thus, setting specific and challenging goals contributes more to planning effectiveness and organizational performance than does working under “no goal” or “do your best” goal conditions (Locke et al., 1981).

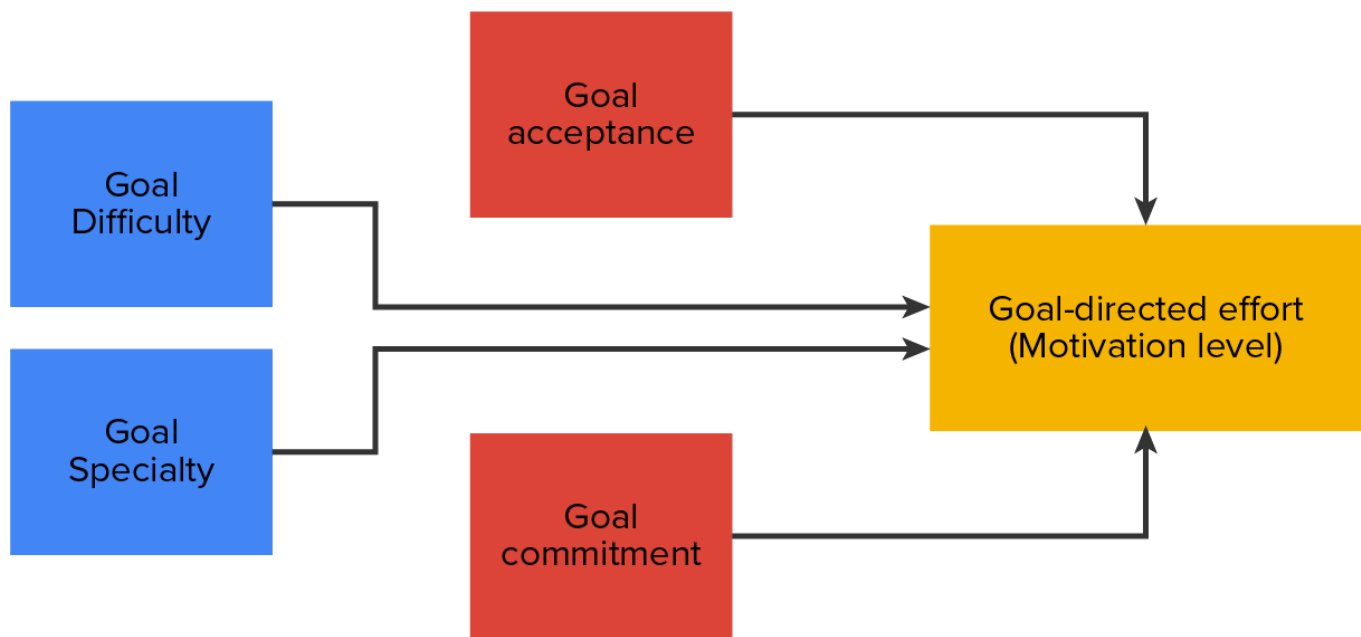


KEY CONCEPT

Even a goal that is both difficult and specific, however, is not going to be effective unless it is accepted by the person who is expected to achieve it (Locke & Garland, 1983).

Goal acceptance is the degree to which people accept a goal as their own (“I agree that this report must be finished by 5 p.m.”) (Locke et al., 1981). Goal commitment is more inclusive, referring to our level of attachment

to or determination to reach a goal (“I want to get that report done on time.”) (Locke & Latham, 1988). Goals sometimes fail to motivate people when managers assign them without making sure that workers have accepted or committed to the goals. The following diagram summarizes the conditions necessary to maximize goal-directed effort:



Goal feedback is the last important goal attribute. Goal feedback provides us with knowledge about the results of our efforts. This information can come from a variety of sources, such as supervisors, peers, subordinates, customers, inanimate performance monitoring systems, and self-assessment. Regardless of the source, the right kind of feedback serves two important functions: directional and effort. Directionally, good feedback tells employees whether they are on the right path and on target or suggests the need for redirection. In addition, it should provide information that suggests the adequacy or inadequacy of the employee’s level of effort. Thus, feedback is of critical importance!

Finally, keep in mind that, whereas goal acceptance occurs before people work on a task and can be encouraged through promises of reward, goal commitment can be nurtured throughout the performance period as workers receive rewards for progress. There are those who believe goal acceptance and commitment can be nurtured when workers come together as members of a family working toward the common goal of proving their worth (Conger, 1991).



BIG IDEA

Encourage the development of work group norms that contribute to goal commitment. Use legitimate authority to encourage the setting of specific and difficult goals. Stimulate workers to develop a sense of ownership in goals, thus producing goal acceptance and commitment.

2. Goal Setting and Employee Job Satisfaction

The statement “goal setting enhances job satisfaction” is not exactly accurate (Locke & Latham, 1990). The relationship between goal setting and planning and job satisfaction is somewhat more complex. Goal setting, and therefore planning, impacts job satisfaction by working through the employee’s level of performance and level of aspiration. Job satisfaction (or dissatisfaction) is most likely determined by the level of performance and not by the goals that have been set.

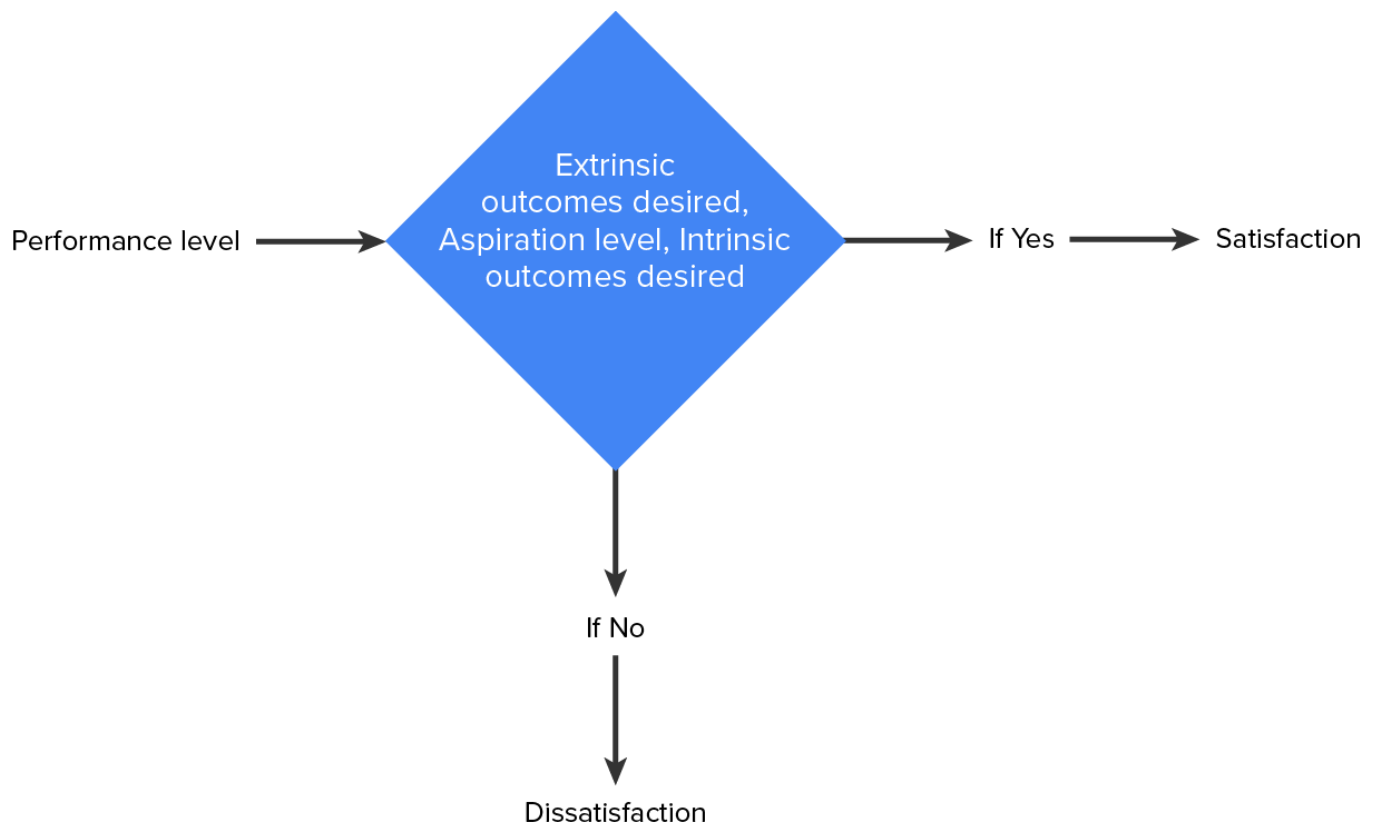
An employee’s affective reaction to performance is determined not by the performance level itself but by the level of performance in relation to his or her aspiration level (Lewin, 1958).



KEY CONCEPT

Job satisfaction, therefore, stems from the employee’s evaluation of his or her actual performance in comparison to his or her aspiration level (or performance goal).

In cases (see the diagram below) where performance reaches or passes the level aspired to, a positive emotion (job satisfaction) is likely to be produced. Performance that fails to reach aspirations causes a negative emotion (job dissatisfaction). In addition, if performance is valued by the employee because of the extrinsic rewards tied to it, high performance will create job satisfaction only if achieving the performance goal leads to the receipt of these valued extrinsic rewards (Locke & Latham, 1990).



BIG IDEA

Goal setting is indirectly and contingently related to job satisfaction. If goal setting contributes to employees reaching their performance aspirations and/or the outcomes that are associated with that performance, job satisfaction is a likely by-product.

2a. Managing Through Goal Setting

What can managers do to motivate employees through goal setting? First, it is important to encourage goal acceptance and commitment. This can be accomplished by working with organizational members to set difficult, specific, and reasonable goals and to make certain that members perceive them as reasonable. If necessary, provide training and other support needed to make the goals attainable. Offer feedback that lets people know when they are approaching the goal. Avoid using threats. Feedback that criticizes without providing insight into ways to contribute to performance improvements is both frustrating and unlikely to be effective. One of Deming's concerns about goal setting is that it creates fear in employees—fear of the failure to reach the goal. He sees fear as a serious disease that contributes to poor organizational performance (Deming, 1986). Instead, a positive, success-oriented approach is almost always more effective.

If and when negative feedback is needed to correct errors, a manager's criticisms of an employee should be credible, constructive, and objective.



KEY CONCEPT

It is important to recall that feedback that simply criticizes, without providing insight into how to make the needed corrections, will produce few, if any, positive results.

3. Controlling as an Organizational Activity

In effective organizations, the activities of planning and controlling are intricately interwoven. For each plan deemed important to the functioning of the organization, a system to monitor the plan's effectiveness must be designed and implemented. In the remainder of this Challenge, we explore the nature of control, the control process, and its effects on the organization and its members.

3a. Controlling and the Control Process

Controlling is a managing activity. **Controlling** is defined as the process of monitoring and evaluating organizational effectiveness and initiating the actions needed to maintain or improve effectiveness. Thus, managers who engage in the controlling activity watch, evaluate, and when needed, suggest corrective action.

Like the managerial functions of planning, organizing, and directing, controlling is a complex activity that is performed at many organizational levels. Upper-level managers, for example, monitor their organization's overall strategic plans, which can be implemented only if middle-level managers control the organization's divisional and departmental plans, which, in turn, rely on lower-level managers' control of groups and individual employees.



TERM TO KNOW

Controlling

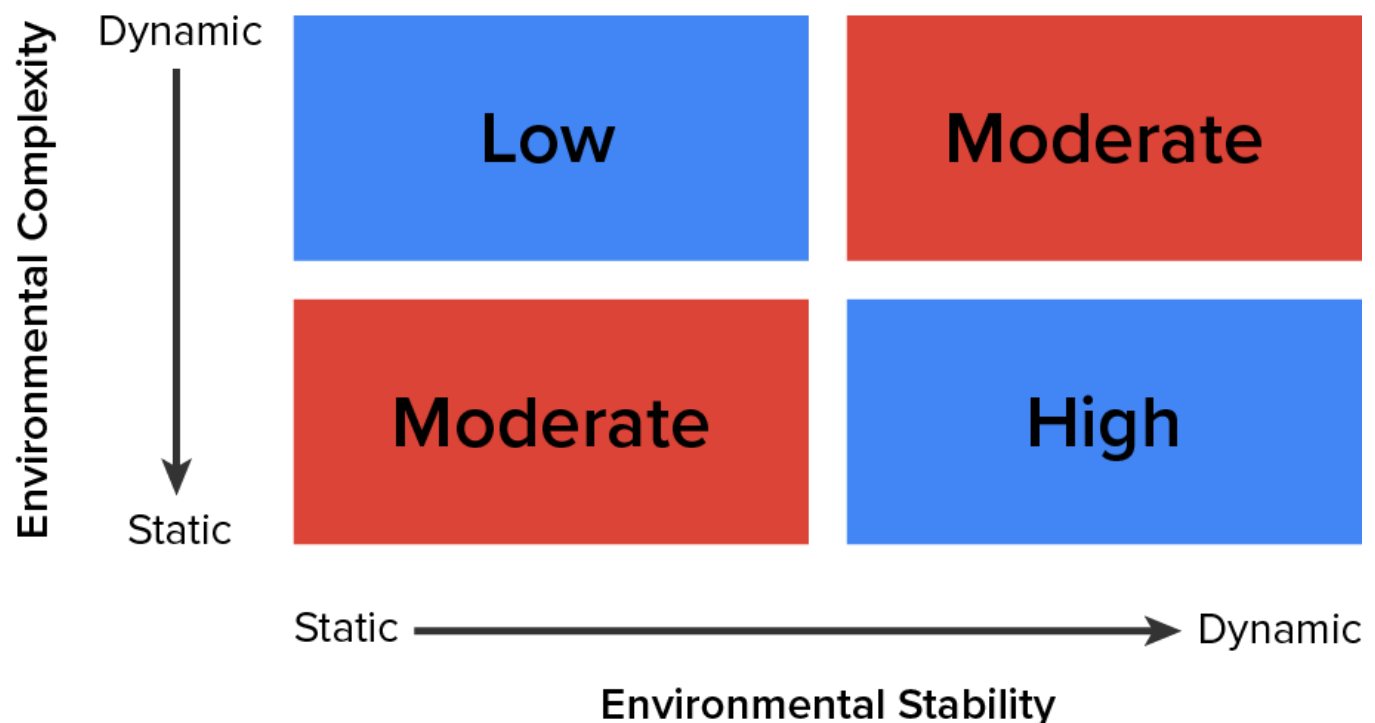
Monitoring the behavior of organizational members and the effectiveness of the organization itself to determine whether organizational goals are being achieved and taking corrective action if necessary.

3b. The Need for Control

Although there is a continual and universal need for control in organizations, the importance, amount, and type of control vary across organizational situations. Probably the most important influence on the nature of an organization's control systems is the amount of environmental change and complexity it faces.

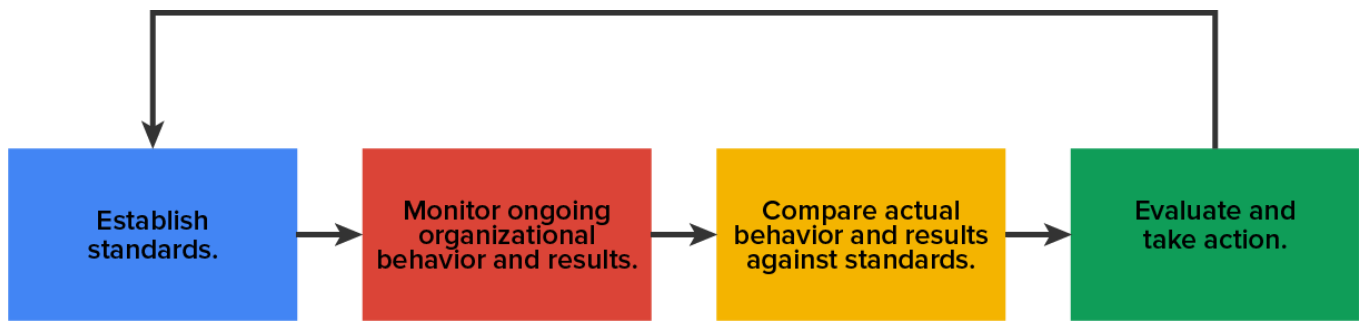
Organizations that operate with relatively stable external environments usually need to change very little, so managers eventually are able to control their organizations by using a set of routine procedures. With greater levels of environmental change and the accompanying uncertainty, however, controlling requires continual attention from managers. Routines and rigid control systems are simply not adequate for such conditions.

Environmental complexity also affects the nature of control systems. Simple environments contain a limited number of highly similar components that are relatively easy to control through common sets of rules and procedures. The same bureaucratic control system, for example, can be used at most branch offices of a large bank. As complexity increases through organizational growth, product diversification, and so on, managers' needs for up-to-date information and coordination among organizational activities intensify. The complexity that calls for increased control, however, also requires open, organic systems that can respond quickly and effectively to complex environments. The following diagram shows the level of control organizations need under different environmental conditions.



3c. A Control Model

In essence, control affects every part of an organization. Among some of the major targets of the organization's control efforts are the resources it receives, the output it generates, its environmental relationships, its organizational processes, and all managerial activities. Especially important targets of control include the functional areas of operations, accounting, marketing, finance, and human resources. The diagram below illustrates that controlling is a four-step process.



1. *Establish standards.* Standards are the ends and means goals established during the planning process; thus, planning and controlling are intricately interwoven. Planning provides the basis for the control process by providing the standards of performance against which managers compare organizational activities. Subsequently, the information generated as a part of the control process (see the subsequent steps in the control model) provides important input into the next planning cycle.
2. *Monitor ongoing organizational behavior and results.* After determining what should be measured, by whom, when, and how, an assessment of what has actually taken place is made.
3. *Compare actual behavior and results against standards.* Ongoing behavior is compared to standards. This assessment involves comparing actual organizational accomplishments relative to planned ends (what an organization is trying to accomplish) and means (how an organization intended for actions to unfold). The outcome of this comparison provides managers with the information they will evaluate in the final step.
4. *Evaluate and take action.* Using their comparative information, managers form conclusions about the relationships found between expectations and reality and then decide whether to maintain the status quo, change the standard, or take corrective action.



SUMMARY

In this lesson, you learned about the effects of setting goals for organizational members. To determine if goal setting has a favorable impact on employee motivation, performance, and job satisfaction, you began by discussing the most completely supported theory of motivation, **goal theory**, which specifies that certain types of goals motivate employee behavior and thereby contribute to the level of employee performance. You learned that goal theory highlights several important **characteristics of goals that motivate performance**: goal difficulty, goal specificity, goal acceptance and commitment, and goal feedback. You also learned that the relationship between **goal setting and employee job satisfaction** is complex, noting that job satisfaction stems from the employee's evaluation of his or her actual performance in comparison to his or her aspiration level (or performance goal). You learned that to effectively **manage through goal setting**, managers should encourage goal acceptance and commitment, provide training and other support, and offer constructive feedback. Lastly, you explored **controlling as an organizational activity**, learning that an important managerial activity is **controlling and the control process**, described by the four-step process of a traditional **control model**, involving monitoring and evaluating organizational effectiveness and initiating the actions needed to maintain or improve effectiveness. **The need for control** can vary across organizations, depending on the amount of environmental change and complexity they face.

Best of luck in your learning!

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