

An Examination of Goal-Setting Theory

Research and Performance

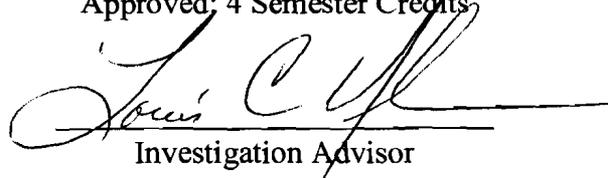
by

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A Research Paper
Submitted in Partial Fulfillment of the
Requirements for the
Master of Science Degree
in

Applied Psychology

Approved: 4 Semester Credits



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May 2007

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Title: *An Examination of Goal-Setting Theory Research and Performance*

Graduate Degree/ Major: MS Applied Psychology

Research Adviser: Louis Milanesi, Ph.D.

Month/Year: May, 2007

Number of Pages: 29

Style Manual Used: American Psychological Association, 5th edition

ABSTRACT

Along with social cognitive and organizational justice theories, goal-setting theory is one of the most significant approaches to work motivation within the last 30 years (Latham & Pinder, 2005). This extensive literature review investigates existing research regarding goal-setting theory and performance, specifically on the dimensions of goal commitment, goal difficulty, goal origin, self-efficacy, individual differences, job satisfaction, and feedback. External, interactive, and internal functions are examined within the dimension of goal commitment. Previous research suggests that these concepts are cognitive variables that influence goal commitment (Locke, Latham, & Erez, 1988). Goal difficulty has been researched extensively with regard to performance (Locke & Latham, 1990). Goal-setting theory proposes that individuals require specific and challenging goals. Extreme and unattainable goals will only discourage individuals and negatively impact performance. Goal commitment moderates the relationship between goal difficulty and performance (Klein, Wesson, Hohenbeck, & Alge, 1999). Goal-setting

theory assumes self-set or participatively set goals will positively influence goal commitment and performance. Self-efficacy contributes to the time and effort in goal-setting, goal commitment, and goal performance (Bandura, 1986; 1997). Goal-setting theory and the concepts of goal difficulty, goal origin, goal commitment, self-efficacy, individual differences, job satisfaction, and performance feedback in relation to performance are examined further in the following text.

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Chapter 1: Introduction

Introduced in the 1960s, goal-setting theory suggests that a goal is seen as a motivational force that is significantly related to organizational or task performance (Landy & Conte, 2004). This motivational process has become an integral function of organizations and is based on the notion that people have needs that consist of specific outcomes or goals they hope to obtain (Locke, 1968). Goals represent an end state that individuals strive to accomplish (Erez & Kanfer, 1983). Goals can activate employee effort, direct their attention, increase their persistence, and affect the strategies they will employ to complete a task (Werner & DeSimone, 2006). Achieving a goal leads to feelings of satisfaction and success. Thus, individuals are motivated to achieve goals and avoid failure (Bandura, 1986).

Statement of Problem

Goal-setting theory is an accepted model of motivation among industrial/organizational psychologists and organizations (Locke & Latham, 2002). A generous amount of research supports goal-setting theory, which may lead to difficulty interpreting relevant goal-setting research.

Purpose of the Review

Goal-setting theory has practical implications for performance oriented organizations. It is crucial that employers understand the different ways goal setting can influence behavior. Goal setting has the ability to influence employee satisfaction and enhance performance. Goal setting can have the opposite effect when goals are too extreme. This examination of goal-setting theory attempts to make sense of highly supported goal-setting research and its effect on performance.

Chapter 2: Literature Review

Goal Mechanisms

It is important to understand the mechanisms by which individuals activate effort, direct attention, and increase persistence towards a goal. As discussed by Locke and Latham (2002), the four mechanisms of goal performance include direction, energy, persistence, and action. First, goals direct an individual's attention and effort towards activities that are relevant to the goal while avoiding activities that are not relevant to the goal. Second, goals with high importance will lead to greater effort than goals with little or low importance. Third, individuals will prolong effort in an attempt to achieve a more difficult or complex goal. Individuals will work according to established deadlines. They may increase goal efforts and work for a shorter period of time or decrease goal efforts and work for a longer period of time. Fourth, goals have an effect on action by increasing arousal, knowledge and skill acquisition. These mechanisms influence goal commitment, goal acceptance, and, ultimately, performance.

Miner (2005) discussed the relationship between goal mechanisms and task strategies. Task strategies are the conscious efforts and problem solving one executes in goal setting and accomplishment. According to Locke and Latham (1990), there are a variety of reasons why challenging and specific goals lead to greater performance. Regardless of goal origin (self-set versus participatively/group set), specific and challenging goals are associated with higher levels of self-efficacy and require higher levels of performance for satisfaction to occur. There is little doubt regarding high performance and valued outcomes among specific and challenging goals. Specific and

challenging goals require more effort and motivate individuals to work longer (Miner, 2005).

According to DeShon, Brown, and Greenis (1996), “the resource allocation model of goal setting (Kanfer & Ackerman, 1989) maintains that self-regulation initiated through goal setting requires attentional resources that could be more productively applied to skill acquisition and complex task performance” (p. 595). Goal effectiveness is dependent upon goal proximity. The attentional resources required for distal and proximal varies: proximal goals require attentional resources in the present, while distal goals requires future attentional resources. The use of proximal goals activates personal motivation and directs one’s attention towards goal achievement. Distal goals may be too detached from the current situation. Thus, distal goals are unable to provide effective motivation towards goal achievement (Bandura, 1986).

Goal Difficulty

Goal difficulty is an important aspect of goal-setting theory. Nearly 400 studies have shown that specific and challenging goals lead to better performance (Locke & Latham, 1990). The level at which a goal is set determines the amount of effort and satisfaction put forth (Bandura, 1986). Locke and Latham (2002) found that difficult goals resulted in greater effort and less difficult goals resulted in less effort.

According to Klein et al. (1999), “the primary consequence of goal commitment is to moderate the relationship between goal difficulty and performance” (p. 886). Goal commitment cannot act as a moderator between goal acceptance and performance if there is little variance between the two. Some individuals need to be high in goal commitment, some need to be moderate in goal commitment, and some need to be low in goal

commitment. The same is true for goal difficulty: some individuals must attain easy goals, some must attain moderately challenging goals, and some must attain difficult goals. When only challenging goals are present, it is believed that the goal will affect performance.

Erez and Zidon (1984) found that goal difficulty was a key factor in performance. They found a positive linear relationship among goal difficulty and performance when there was goal acceptance and a negative linear relationship among goal difficulty and performance when there was no goal acceptance. This means that when individuals accept the goal, performance rises as difficulty rises and when individuals do not accept the goal, performance decreases as difficulty increases.

Drach-Zahavy and Erez (2002) distinguished between stress in the forms of challenge and threat among specific difficult goals and easier, "do your best" goals. They found that participants in the challenge condition of stress reached higher levels of performance regardless of the goal (specific difficult vs. easier, "do your best"). They also examined the effect of change or adaptation within a goal. They found that a challenging work environment and difficult goals yielded higher performance levels. In contrast, Drach-Zahavy and Erez identified several studies that argue against setting difficult goals (e.g. Campbell, 1984; Earley, 1985; Earley et al., 1989; Gist et al., 1991; Wood et al., 1987) suggesting that setting specific difficult goals may be detrimental to performance. They found participants with specific difficult goals in the threatening condition yielded the worst performance levels and the poorest level of adaptation to changing tasks. These results suggest the importance of the stress conditions related to

setting goals. Although this research supports setting specific difficult goals, it addresses issues like work environment and stress related to performance.

Goal Origin

There have been many arguments about the effect goal origin has on goal commitment and performance. Self-set goals, participatively set goals, and assigned goals are three common goal origins. Self-set and participatively set goals are alternatives to assigning a goal. Goal-setting theory assumes that allowing employees the opportunity to work with others to set a goal or self-set a goal will make them more accepting and committed to the goal, thus increasing performance. Enabling individuals to participate in setting goals allows individuals to feel like the goals are personal. A series of studies conducted by Latham and his colleagues revealed that there was no difference in performance between participatively set goals and assigned goals when goal difficulty was held constant (Locke & Latham, 2002).

Locke, Frederick, Buckner, and Bobko (1984) found that after assigning goals to participants, participants chose self-set goals contradictory to their previously assigned goal. Despite participants' choice of goals, participants were extremely influenced by previously assigned goals. Participants assigned an easy goal chose a more difficult goal, while participants assigned a difficult goal chose an easier goal. Assigning an impossible goal on one task and then allowing participants to choose a goal for another task had no effect on performance. This carry-over from assigned goals to self-set goals suggests that participants demonstrated an inherent belief as to what level of goal is reasonable or appropriate.

Latham and Marshall (1982) studied effective supervisory behavior among government agency supervisors randomly assigned to one of three goal conditions (self-set, participative, or assigned). They found that there were no differences in goal acceptance and performance among self-set, participatively set, or assigned goals. Participation in itself had no effect on productivity. Also, giving an individual complete say in goal setting had no effect on productivity. The key issue to productivity appeared to be the setting of specific goals.

Shalley, Oldham, and Porac (1987) found that individuals who were assigned goals had higher levels of intrinsic motivation than individuals who participated in setting a goal. This may support Locke et al.'s (1984) theory that individuals internalize goals assigned by an authority figure, because they perceive the request to be legitimate.

Latham, Mitchell, and Dossett, (1978) found that participatively set goals leads to the formation of difficult goals. They found no differences in the perceptions of goal difficulty between the participative and assigned goal conditions. Even though participative goals were higher than the assigned goals, the perceptions of goal difficulty among engineer participants were not significantly different. They also found that employee participation lead to higher set goals.

As stated by Latham et al., (1978) "it would appear that participation is important to the extent that it influences goal difficulty and hence performance, but that goal specificity and goal acceptance can be attained as easily through assigned as through participatively set goals" (p. 170). Research suggests that goal origin has little to no effect on performance. It does not matter who sets the goal, just as long as a goal is established (Locke & Latham, 2002). However, most of the research reviewed was

conducted in laboratory settings. Thus, it is important to recognize the limitations of generalizing their results to an organization.

Goal Commitment

Goal commitment is a key aspect of goal setting. Commitment can be described as an individual's emotional attachment or sense of obligation to a goal. Goal commitment is an individual's resistance to change his or her performance goals (Locke, 1968). If there is no commitment to a goal, the goal will have little or no effect on performance. The relationship between goal commitment and performance may be due to the variance in commitment. Not all people have the same level of commitment to a goal. Some may have little or no commitment to a goal, others may be moderately committed to a goal, and others may be extremely committed to a goal (Locke et al., 1988).

Tubbs (1993) felt commitment, in relation to goals, is a broad topic and identified three specific concepts of goal commitment:

- (a) one's pre-choice attitudes toward the goal as assessed by his or her motivational force, one's actual goal choices, (b) including his or her intentions and adherence to the performance goal, (c) and the individual's maintenance of the goal or strength of intention to pursue the performance goal. (p. 88)

Some goal-setting researchers have rejected these concepts of the goal commitment construct and argued that they are simply methods of measuring goal commitment (Donovan & Radosevich, 1998). These concepts can be applied to the external, interactive, and internal determinants of goal commitment discussed in the later part of this review.

Goal commitment is essential to understanding goal acceptance, goal difficulty and performance. Many goal-setting researchers have focused on the relationship between goal setting and performance. Klein et al. (1999) conducted a meta-analysis on empirical research involving goal commitment. They found the attractiveness of goal attainment and the expectancy of goal attainment as antecedents to goal commitment. They also identified task complexity, incentives, goal origin (self-set vs. assigned goals), and goal difficulty as moderators of goal commitment. Results revealed a stronger relationship between performance and commitment for difficult goals rather than goals of moderate or low difficulty.

Determinants of Goal Commitment

Research suggests that organizations should facilitate commitment to organizational goals. Locke et al. (1988) identified three determinants of goal commitment: external factors, interactive factors, and internal factors. External factors include authority, peer influence, and external rewards. When assigned a goal through an external influence (i.e. supervisor, professor, peer, or parent), individuals obey the authority figure because they perceive that request to be legitimate. Also, individuals tend to internalize goals placed upon them by others, making it an internal (personal) goal. “Salancik (1977) argued that assigned goals lead to commitment because (a) assigning the goal implies that the recipient is capable of reaching the goal, and (b) listening to the assignment without objection is itself a form of consent” (p. 24).

Interactive factors include participation and competition. Much of the research has argued against the participative approach and its effect on goal commitment (Locke et al., 1988). Some argue that how the goal is set is not important, just as long as a goal is

established. Mitchell and Silver (1990) examined learning effects, goal acceptance and goal commitment, goal difficulty, ability differences, and performance due to self set goals and interdependent goals. They found that differences in performance could not be explained by differences in goal acceptance or goal commitment. However, individuals were motivated to attain goals set for them regardless of being personal or interdependent.

Competition is an interactive factor that influences goal commitment and performance. Competition in goal setting related to performance has been a topic among researchers for many years. It is believed that competition enhances performance and people have the tendency to work harder toward a goal when a standard of high achievement exists (Steers & Porter, 1974).

Locke (1968) argued that competition acts as an incentive to enhance performance and may instigate goal setting among competitors. Individuals may work harder toward a goal and set goals for themselves when competition exists. Hinsz (2005) found that competition resulted in higher self-set goals, but did not influence idea generation performance, self-efficacy, or goal commitment. However, when individuals indicated their perceived competition with or among others, competitiveness did correlate with task performance, goal commitment, and self-efficacy.

Brown, Cron, and Slocum (1998) examined the effect of competition on goal setting and performance among salespeople. More precisely, these researchers were concerned with trait competitiveness (competitive personality, desire to win) and its effect on self-set goals and performance. They found that self-set goals were relatively high among individuals in a competitive organizational environment and high in trait

competitiveness. Their results suggest that recruiting highly competitive individuals and creating a highly competitive organizational climate will lead to greater performance and sales. These results support previous research conducted by Locke (1968) suggesting that competition leads to higher set goals and greater performance and more difficult goals leads to greater effort, thus greater performance.

Internal factors include expectancy and internal rewards. Expectancy theory would argue that how well an individual performs on a task is affected by their perceived chance(s) of success. As stated by Latham and Brown (2006), "goal setting theory states that emotions are a function of one's actions and the subsequent outcomes (e.g. summer internship, salary level) from working toward and/or attaining one's goals" (p. 608). Research has suggested that a difficult goal lowers goal commitment and self-efficacy is related to expected success and goal commitment (Locke et al., 1988).

Self-Efficacy

Self-efficacy is an internal factor of goal-setting theory that has been studied extensively among organizational psychologists. Social cognitive theory (Bandura, 1986) states that self-efficacy is one's belief about one's ability to generate levels of performance that influence certain aspects of their lives. It is believed that higher self-efficacy leads to the acceptance of challenging or difficult goals. Latham and Brown (2006) found that urging students working on a Master in Business Administration (MBA) to set high distal outcome goals was not as effective as urging students do their best. Their results suggest that a high distal outcome goal lowers one's self-efficacy that their goals are attainable.

Bandura and Cervone (1983) found that when subjects were given feedback indicating performance below the average, self-efficacy predicted motivation enhancement. High levels of self-dissatisfaction with performance combined with high levels of self-efficacy for goal attainment resulted in greater effort. Individuals with high self-efficacy are more likely to employ knowledge and skill acquisition to obtain successful task strategies in order to reach high performance levels (Locke & Latham, 2002). Self-efficacy can activate persistence and lead to high performance levels when difficulty exists. Thus, individuals with higher self-efficacy will have higher performance expectations than individuals with lower self-efficacy.

Spieker and Hinsz (2004) found a positive correlation between performance, self-efficacy, and personal goals. They also found that repeated success and failure had significant effects on personal goals. Significantly higher personal goals were set for those who experienced repeated success in comparison to those who experienced a single success or repeated failures. Regardless of higher ratings of self-efficacy among those who experienced repeated successes, no significant effect on self-efficacy was found among repeated successes and failures. This suggests a difference between belief and assessment. There may be no relationship between whether one believes they have the ability to achieve a goal and whether or not the goal was accomplished. Therefore, self-efficacy measures one's ability to perform well rather than measuring one's ability to achieve a goal.

Individual Differences in Goal Setting

The role of individual differences in goal-setting and motivation research has produced inconsistent results (Locke, Shaw, Saari, & Latham, 1981). Goal-setting

research was not specifically designed to measure individual differences. If individual differences were revealed, the results were difficult to explain. Also, most goal-setting studies involve an assigned goal which ultimately controls for individual differences. Individual differences would emerge when goals were participatively or self-set.

Some researchers have suggested that personality as a mechanism of self-regulation can be used to predict performance related to goal setting (Klein & Lee, 2006). As stated by Lee, Sheldon, and Turban (2003), “personality traits influence perceptions of oneself and one’s environment across a variety of life domains; such as, these traits are the starting point for considering how people regulate themselves while striving toward goals” (p. 257). Social and industrial-organizational psychologists have accepted the Big Five Factor model (FFM) as a framework for personality (Barrick, Stewart, & Piotrowski, 2002). Extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience are the personality traits included on the FFM (Costa & McCrae, 1992).

Barrick et al. (2002) found that, among sales representatives, extraverted employees were more competitive and exerted more effort to perform at a higher level than others. Conscientious employees were more concerned with accomplishments rather than directly on job performance. Their results indicate that status striving (effort to perform at a higher level than others) as a method of motivation has a stronger association with performance than accomplishment striving. Regardless, accomplishment striving is influential in understanding personality. They also found that agreeableness, emotional stability, and openness to experience were not strongly associated with sales

performance. Even though agreeableness was not related to sales performance, highly agreeable people were more motivated to get along with co-workers.

Klein and Lee (2006) investigated the relationship between three personality traits (conscientiousness, openness, and learning goal orientation), and the difficulty of self-set goals and commitment to those goals. Their research provided mixed support. They found that conscientiousness was associated with goal commitment, but not self-set goals. They also found that when examined separately, learning and goal orientation and openness to experience were significantly associated to goal difficulty and goal commitment. In contrast, learning and goal orientation and openness to experience were not significantly associated to goal setting when the personality traits were examined as predictors. Also, learning goal orientation was positively associated with both conscientiousness and openness to experience. However, they were unable to find a relationship between conscientiousness and goal level. They were also unable to find a relationship between learning and openness to experience and learning goal orientation.

As briefly discussed thus far, learning is an important concept of goal setting and performance. Klein and Lee (2006) found that learning was associated with self-set goal level and goal commitment. Performance goals can be detrimental for knowledge and skill acquisition because they shift attention away from learning activities (Locke, 2000). Attention in goal setting should focus more on determining strategies and mastering goal-related tasks rather than performing well (Locke & Latham, 2002).

Although limited to the classroom, Harackiewicz, Barron, Carter, Lehto, and Elliott (1997) found that college students received higher grades when they had established performance goals. However, performance goals had no effect on interest.

They also found that work-mastery-oriented students were most likely to support work mastery goals and less likely to adopt work avoidance skills. They also found that competitive students were most likely to support performance and work avoidance goals. They also examined students' achievement goals, intrinsic interest and final grades in the class. They found that students' intrinsic interest and final grades were significantly related to students' achievement goals. Students who showed higher levels of interest in the class had established performance goals. There was however, no effect of mastery goals on performance. Students who received higher grades had established performance goals while performance goals had no effect on interest. Moreover, mastery goals were more predictive of interest and performance and work avoidance goals were better predictors of grades.

Latham and Brown (2006) found that among MBA students, those who set learning goals were more satisfied with the MBA program than students who were urged to do their best. Grade point average (GPA) was significantly higher among students who set learning goals than students in the distal goal condition. Students who set proximal and distal goals had comparable GPAs to those students who set learning goals.

Job Satisfaction

Goal-setting theory is a function of job satisfaction. The perceived differences between intended and actual performance influences an emotional state (satisfaction or failure) that acts as a catalyst for goal setting. Satisfaction occurs when a goal is achieved and failure or dissatisfaction occurs when a goal is not achieved (Miner, 2005). Goal specificity determines the extent to which goals generate personal incentives (Bandura, 1986). According to Bandura (1986), "explicit standards regulate performance by

designating the type and amount of effort required to attain them, and they generate self-satisfaction and build personal efficacy by furnishing unambiguous signs of personal accomplishments” (p. 133). Satisfaction is also related to goal difficulty. A strong interest and participation in goal activities leads to satisfaction and effort.

As discussed by Miner (2005), job satisfaction is more complex than individual goal accomplishment. Job values serve as a function of goal accomplishment.

Challenging goals are associated with high self-efficacy and positive instrumentalities (Locke & Latham, 1990). According to Locke and Latham

Individuals with high goals, as compared to those with low goals, are more likely to believe that goal pursuit will be associated with a sense of achievement, improvement of one’s skills, and the opportunity to prove what one can do. (p. 242)

Mento, Locke, and Klein (1992) conducted an 8 experiment study that examined the relationship between goal level, valence (anticipated satisfaction), and instrumentality (outcome dependent upon performance). They found a strong negative relationship between valence and goal levels suggesting that easier goals require less effort for self-evaluation than higher set goals. These results may be explained by the personality differences between those who set high goals and those who set no or low goals. Those who set high goals must accomplish more to achieve personal satisfaction. Those who set low goals may need to accomplish little to achieve satisfaction. Satisfaction differences are apparent in educational and work settings. Some students are largely concerned about passing the course and graduating while others are concerned about doing well, getting good grades, and learning.

Mento et al. (1992) also found a positive relationship between instrumentality and goal level. These findings suggest that setting higher goals provides a feeling of achievement, confirms ability, and increases knowledge. Subjects also felt that setting higher goals provided more practical and real-life benefits and self-respect than lower set goals. There are real-life implications to setting high goals versus setting low goals. High goals require more time and effort and many may believe they are not capable of meeting such standards of performance. Regardless, goal-setting theory states that a higher set goal leads to greater performance (Locke & Latham, 1990), thus leading enhanced satisfaction (Mento et al., 1992).

Performance Feedback

As stated by London (2003), “meaningful feedback is central to performance management” (p. 1). Goal setting and feedback increases information and motivation necessary for enhanced performance (Earley, Northcraft, Lee, & Lituchy, 1990). Feedback provides individuals with information about the accuracy and progress of their performance. Feedback is necessary for learning and motivation among performance-oriented organizations (Ilgen, Fisher, Taylor, 1979). Feedback can decrease motivation when the feedback negatively obstructs learning (Kluger & DeNisi, 1996).

From a goal-setting perspective, feedback sends a message that performance is important (Locke & Latham, 1990). An effective goal requires feedback. People need to know the progress of their work in relation to the goal. If a person is unaware of what they are doing, it is inaccurate to think they can make changes to or modify their efforts or performance to match the requirements related to goal performance (Locke & Latham, 2002).

Earley et al. (1990) examined the effect of goal setting on process and outcome feedback. It was hypothesized that process and outcome feedback would have an effect on performance, task strategy, information search, self-confidence, and effort. Process feedback interacted with task strategies and the information search. Outcome feedback interacted with goal setting, effort, and self-confidence. The highest level of performance was apparent when both process and outcome feedback methods were combined with specific and challenging goals.

Reilly, Smither, and Vasilopoulos (1996) examined the effect of an upward feedback (subordinates rating immediate supervisor) program over 2.5 years. They found that over a 2.5 year period, managers whose initial ratings were low had improved, the number of times upward feedback was received had no impact on performance, and the initial performance improvements continued over time. They also found that whether or not feedback was received made little difference in scores. Managers who did not receive feedback were initially rated higher than subordinates who had received feedback. However, managers who did not receive feedback had no basis for comparison and had little information about possible performance improvements. It can be concluded that management personnel receiving feedback are able to establish personal or behavioral goals for improvement and performance.

Kim and Hammer (1976) found that regardless of feedback (knowledge of results) goal setting alone can enhance performance. However, once the feedback became evaluative, performance was enhanced beyond the goal-setting-alone participants. They also found that there were no differences between intrinsically and extrinsically set goals. This suggests that, regardless of formal feedback, it is possible that goal setting alone

enhances performance. They also found that performance had enhanced even more when intrinsic feedback in addition to extrinsic feedback was combined with praise and a formal goal-setting program. While goal setting serves as motivation for enhanced performance, feedback provides employees within an organization the opportunity to accept the goals being set as practical and achievable.

According to Pritchard, Jones, Roth, Stuebing, and Ekeberg (1988), too much of the research among organizational psychologists has been among simple jobs, while most jobs are complex and require more complex analysis and measurement. Conducted over a period of time and introduced at different times within the experimental design, their results yielded influential information. According to Pritchard et al., “results indicated that group-level feedback increased productivity an average of 50% over baseline, group goal setting increased productivity 75% over baseline, and group incentives increased productivity 76% over baseline” (p. 337). They also found that job satisfaction, turnover, and morale was as good or better following the interventions. These results revealed that feedback had a strong effect on productivity. Furthermore, while there was a strong improvement in productivity during the early months of feedback, the improvement flattens out in the later months of the incentive treatment. This suggests that employees were learning productivity solely on the basis of feedback, while goal setting and incentives had little to no effect on productivity. A different interpretation discusses the possibility of a ceiling effect. A ceiling effect suggests that employees were performing at their maximum capacity and, had feedback not been provided, goal setting and feedback would have had a stronger effect on productivity. It is important to mention that there was no measure of internal goal setting as a result of the feedback.

Neubert (1998) found that goal setting combined with feedback enhanced performance more than goal setting alone. Complex tasks combined with goal setting and feedback had double the impact of simple tasks. These results may be due to the lack of feedback available to simple task participants. This research also found that the mechanism by which feedback was presented was equally effective (person vs. computer).

Chapter 3: Discussion

Limitations

There is no single explanation for the affect goal setting has on performance. Rather, goal-setting theory requires a variety of explanations for enhanced performance (e.g. goal commitment, goal origin, feedback, self-efficacy, etc.). Goal-setting research requires additional research outside of a lab setting. Although the FFM of personality has been accepted among industrial/organizational psychologists, individual differences related to goal setting and goal performance require additional research.

Conclusions

As this literature review outlined, there are many goal-setting concepts that influence performance. These concepts included goal commitment, goal difficulty, goal origin, self-efficacy, individual differences, job satisfaction, and performance feedback. Goal commitment argues the importance of establishing goals within organizations. If there is little or no commitment to a goal, a goal will have no effect on performance. Specific and difficult goals will result in higher performance than easy and vague goals (Locke & Latham, 1990). Research suggests that goal origin may or may not have an effect on goal commitment and additional research on goal origin would be beneficial.

Although not supported, goal-setting theory assumes individuals will be more committed to goals self or participatively set. Feedback sends a message to employees that performance is important (Locke & Latham, 1990). Feedback combined with goal setting enhances performance (Earley et al., 1990; Neubert, 1998; Pritchard et al., 1988). Goal-setting theory is well supported within organizations and proposes that goals mobilize employee effort, direct attention, increase persistence, and affect the strategies used to achieve a goal (Werner & DeSimone, 2006).

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