



Goal Setting For Effective Organization

Chapter 12



Objectives

- Recognize goal setting can be used as a part of an OD program
- Apply the major findings of the research on goal setting to develop organizational and personal goals
- Understand how management by objective (MBO) can be applied as a management system
- Experience and practice goal setting approach



Goal Setting

- Goal setting is an invariable part of an OD program, a formal program is likely to produce favorable results.
- Goal setting may be organization-wide, department wide, individual, or an integration of the three.
- A goal is anything an individual is trying to accomplish and is the object of action.



Goal-Setting Theory

- Major findings relevant to goal setting theory:
 - Major difficulties goals produce better performance.
 - Specific hard goals are better than “do your best: goals.
 - People may abandon goals if the goals become too hard.
 - Participation in setting goals increases commitment and attainment of goals.
 - Feedback to an individual about accomplishment of goal improves performance.
 - Education levels, Seniority, and position in organization of participants do not predict success of goal setting.
 - Goal setting in teams deserve special consideration.
 - Support of management is critical.



Goal Setting Model (Figure 12.1)

- First three factors in goal setting are determining the goal, achieving goal commitment, and overcoming resistance.



Commitment to goals can be achieved by:

- Mutual trust in and by upper management.
- Support by Management
- Competition between employees and teams but care should be used in designing competitive situation.



Overcoming resistance to goals by providing:

- Special training if required.
- An effective reward and incentive system.
- Participation by employees in setting goals.



Period of Performance

- Employees may require additional training and resources.
- Managers may need to work with employees to develop action plans.
- Managers provide timely and objective feedback.
- A number of studies on Goal Setting show favorable results.



Management by Objectives

- MBO is a specific technique for setting goals.
- It is aimed at the integration of individual and organization goals.



Management by Objectives

- **Definition of Management by Objectives:**
 - It is a system of management set up to help planning, organizing, problem-solving, motivating, and other important managerial activities.
- **MBO is a process where the superior and subordinate managers of an organization:**
 - 1. Jointly identify its common goals
 - 2. Define each individual's major areas of responsibility in terms of results expected.
 - 2. And use these measures as guides for operating the unit and assessing the contribution of each of its members.



Questions



References

- Brown, D.R. & Harvey, D. (2006). *An experiential approach to Organizational development*, (7th ed.). Upper Saddle River, NJ: Prentice Hall.