SECOND EDITION

ORGANIZATIONAL BEHAVIOUR

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when a courier commits to making four round-trips between Brussels and Munich each week, this intention gives him a specific objective to try to attain. We can say that, all things being equal, the courier with a specific goal will outperform a counterpart operating with no goals or the generalized goal of 'do your best'.

If factors such as acceptance of the goals are held constant, we can also state that the more difficult the goal, the higher the level of performance. Of course, it's logical to assume that easier goals are more likely to be accepted. But once a hard task is accepted, the employee can be expected to exert a high level of effort to try to achieve it.

But why are people motivated by difficult goals?[38] First, difficult goals direct our attention to the task at hand and away from irrelevant distractions. Challenging goals get our attention and thus tend to help us focus. Second, difficult goals energize us because we have to work harder to attain them. For example, think of your study habits. Do you study as hard for an easy exam as you do for a difficult one? Probably not. Third, when goals are difficult, people persist in trying to attain them. Finally, difficult goals lead us to discover strategies that help us perform the job or task more effectively. If we have to struggle for a way to solve a difficult problem, we often think of a better way to go about it.

People do better when they get feedback on how well they are progressing towards their goals because feedback helps to identify discrepancies between what they have done and what they want to do; that is, feedback acts to guide behaviour. But all feedback is not equally potent. Self-generated feedback – for which employees are able to monitor their own progress – has been shown to be a more powerful motivator than externally generated feedback.[39] Recent research has also shown that people monitor their progress differently depending on how close they are to goal accomplishment. When they have just begun pursuing a goal, they derive motivation from believing that the goal is attainable, so they exaggerate their level of progress in order to stay motivated. However, when they are close to accomplishing their goal, they derive motivation from believing a discrepancy still exists between where they are currently and where they'd like to be, so they downplay their progress to date to signal a need for higher effort.[40]

If employees can participate in the setting of their own goals, will they try harder? The evidence is mixed. In some cases, participatively set goals yielded superior performance; in others, individuals performed best when assigned goals by their boss. But a major advantage of participation may be that it increases acceptance of the goal as a desirable one towards which to work.[41] Without participation, the individual pursuing the goal needs to clearly understand its purpose and importance.[42]

In addition to feedback, three other factors influence the goals–performance relationship: goal commitment, task characteristics and national culture.

Goal-setting theory assumes an individual is committed to the goal and determined not to lower or abandon it. The individual (1) believes he or she can achieve the goal and (2) wants to achieve it.[43] Goal commitment is most likely to occur when goals are made public, when the individual has an internal locus of control, when the goals are self-set rather than assigned, and when goals are based at least partially on individual ability.[44] Goals themselves seem to affect performance more strongly when tasks are simple rather than complex, well learned rather than novel, independent rather than interdependent, and are on the high end of achievable goals.[45] On interdependent tasks, group goals are preferable. Paradoxically, goal abandonment following an initial failure is more likely for individuals who self-affirm their core values, possibly because they internalize the implications of failure.[46]

Finally, setting specific, difficult, individual goals may have different effects in different cultures. Most goal-setting research has been done in the United States and Canada, where individual achievement and performance are most highly valued. To date, research has not shown that group-based goals are more effective in collectivist than in individualist cultures. In collectivistic and high power-distance cultures, achievable moderate goals can be more highly motivating than difficult ones.[47] Finally, assigned goals appear to generate greater goal commitment in high than in low power-distance cultures.[48] More research is needed to assess how goal constructs might differ across cultures.

Although goal-setting has positive outcomes, it's not unequivocally beneficial.

For example, some goals may be *too* effective.[49] When learning something is important, goals related to performance undermine adaptation and creativity because people become too focused on outcomes and ignore changing conditions. In this case, a goal to learn and generate alternative solutions will be more effective than a goal to perform. In addition, some authors argue goals can lead employees to focus on a single standard and exclude all others. A goal to boost short-term share prices may lead organizations to ignore long-term success and even to engage in unethical behaviour to meet those goals. Other studies show that employees low in conscientiousness and emotional stability experience greater emotional exhaustion when their leaders set goals.[50] Finally, individuals may fail to give up on an unattainable goal, even when it might be beneficial to do so. Despite differences of opinion, most researchers do agree that goals are powerful in shaping behaviour. Managers should make sure goals are aligned with company objectives.

Research has found that people differ in the way they regulate their thoughts and behaviours during goal pursuit. Generally, people fall into one of two categories, though they could belong to both. Those with a **promotion focus** strive for advancement and accomplishment and approach conditions that move them closer towards desired goals. Those with a **prevention focus** strive to fulfil duties and obligations and avoid conditions that pull them away from desired goals.

promotion focus
A self-regulation strategy that involves striving for goals through advancement and accomplishment.

prevention focus
A self-regulation strategy that involves striving for goals by fulfilling duties and obligations.

Although you would be right in noting that both strategies are in the service of goal accomplishment, the manner in which they get there is quite different. As an example, consider studying for an exam. You could engage in promotion-focused activities such as reading class materials and notes, or you could engage in prevention-focused activities such as refraining from things that would get in the way of studying, such as playing video games or going out with friends. Or, you could do both activities.

You may ask, 'Which is the better strategy?' Well, the answer to that question depends on the outcome you are striving for. While a promotion (but not a prevention) focus is related to higher levels of task performance, citizenship behaviour and innovation, a prevention (but not a promotion) focus is related to safety performance. Ideally, it's probably best to be both promotion *and* prevention oriented.[51]

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The legendary Jack Welch, chairman and CEO of General Electric for 20 years, popularized the term 'stretch goals'. Essentially, a stretch goal is one that cannot be achieved by what is known today and will therefore require the organization to come up with a new solution. This differs from performance goals which are challenging, but it is broadly known how to accomplish them. To illustrate stretch goals, Welch would often use the example of the development of the Japanese bullet train. If the initial goal was to increase the speed of existing trains by perhaps 20 km/h, then engineers would have suggested relatively minor amendments within their existing ways of thinking. However, the goal was to double the current speed, and this required new thinking. Today, bullet trains and their even faster contemporaries can travel well over 500 km/h. Many organizations use stretch goals to motivate employees to 'think outside of the box'.

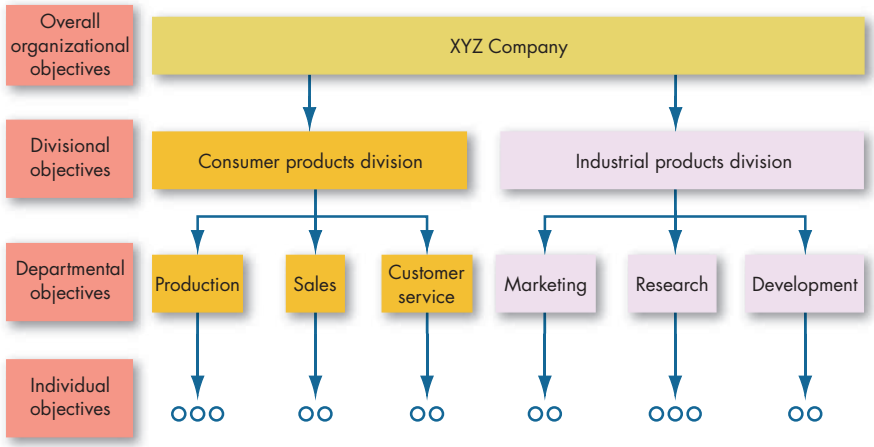

Figure 6.4 Cascading of objectives

Implementing goal-setting

Goal-setting theory has an impressive base of research support. But as a manager, how do you make it operational? That's often left up to the individual manager or leader. Some managers explicitly set aggressive performance targets – what General Electric called 'stretch goals'. For example, some business leaders such as Procter & Gamble's Robert McDonald and Hasso Plattner, co-founder of the German software firm SAP, are known for the demanding performance goals they set. The problem with leaving it up to the individual manager is that, in many cases, managers don't set goals. One survey revealed that when asked whether their job had clearly defined goals, only a minority of employees agreed.[52]

management by objectives (MBO) A programme that encompasses specific goals, participatively set, for an explicit time period, with feedback on goal progress.

A more systematic way to utilize goal setting is with a management by objectives programme. **Management by objectives (MBO)** emphasizes participatively set goals that are tangible, verifiable and measurable. As depicted in Figure 6.4, the organization's overall objectives are translated into specific objectives for each succeeding level (that is, divisional, departmental, individual) in the organization. But because lower-unit managers jointly participate in setting their own goals, MBO works from the 'bottom up' as well as from the 'top down'. The result is a hierarchy that links objectives at one level to those at the next level. And for the individual employee, MBO provides specific personal performance objectives.

Four ingredients are common to MBO programmes: goal specificity, participation in decision making (including participation in the setting of goals or objectives), an explicit time period and performance feedback.[53] Many of the elements in MBO programmes match propositions of goal-setting theory. For example, having an explicit time period to accomplish objectives matches goal-setting theory's emphasis on goal specificity. Similarly, we noted earlier that feedback about goal progress is a critical element of goal-setting theory. The only area of possible disagreement between MBO and goal-setting theory relates to the issue of participation: MBO strongly advocates it, whereas goal-setting theory demonstrates that managers assigning goals is usually just as effective.

You'll find MBO programmes in many business, health care, educational, government and nonprofit organizations.[54] MBO's popularity should not be construed to mean that it always works. There are a number of documented cases in which MBO has been implemented but failed to meet management's expectations.[55] When MBO doesn't work, the culprits tend to be factors such as unrealistic expectations regarding results, lack of commitment by top management, and an inability or unwillingness of management to allocate rewards based on goal accomplishment.

Self-efficacy theory

self-efficacy theory An individual's belief that he or she is capable of performing a task.

Self-efficacy theory (also known as *social cognitive theory* or *social-learning theory*) refers to an individual's belief that he or she is capable of performing a task.[56] The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, people with low self-efficacy are more likely to lessen their effort or give up altogether, while those with high self-efficacy will try harder to master the challenge.[57] Self-efficacy can

create a positive spiral in which those with high efficacy become more engaged in their tasks and then, in turn, increase performance, which increases efficacy further.[58] Changes in self-efficacy over time are related to changes in creative performance as well.[59]

Individuals high in self-efficacy seem to respond to negative feedback with increased effort and motivation, while those low in self-efficacy are likely to lessen their effort when given negative feedback.[60] How can managers help their employees achieve high levels of self-efficacy? By bringing together goal-setting theory and self-efficacy theory.

Goal-setting theory and self-efficacy theory don't compete with one another; rather, they complement each other. As Figure 6.5 shows, when a manager sets difficult goals for employees, this leads employees to have a higher level of self-efficacy and also leads them to set higher goals for their own performance. Why is this the case? Research has shown that setting difficult goals for people communicates confidence in them. For example, imagine that your boss sets a high goal for you, and you learn it is higher than the goals she has set for your co-workers. How would you interpret this? As long as you didn't feel you were being picked on, you would probably think, 'Well, I suppose my boss thinks I'm capable of performing better than others.' This then sets into motion a psychological process in which you're more confident in yourself (higher self-efficacy) and you set higher personal goals, causing you to perform better both in the workplace and outside it.

The researcher who developed self-efficacy theory, Albert Bandura, argues that there are four ways self-efficacy can be increased:[61]

1. Enactive mastery
2. Vicarious modelling
3. Verbal persuasion
4. Arousal

According to Bandura, the most important source of increasing self-efficacy is what he calls *enactive mastery* – that is, gaining relevant experience with the task or job. If you've been able to do the job successfully in the past, then you're more confident you'll be able to do it in the future.

The second source is *vicarious modelling* – or becoming more confident because you see someone else doing the task. For example, if your friend loses weight, then it increases your confidence that you can lose weight, too. Vicarious modelling is most effective when you see yourself similar to the person you are observing. Watching Rory McIlroy play a difficult golf

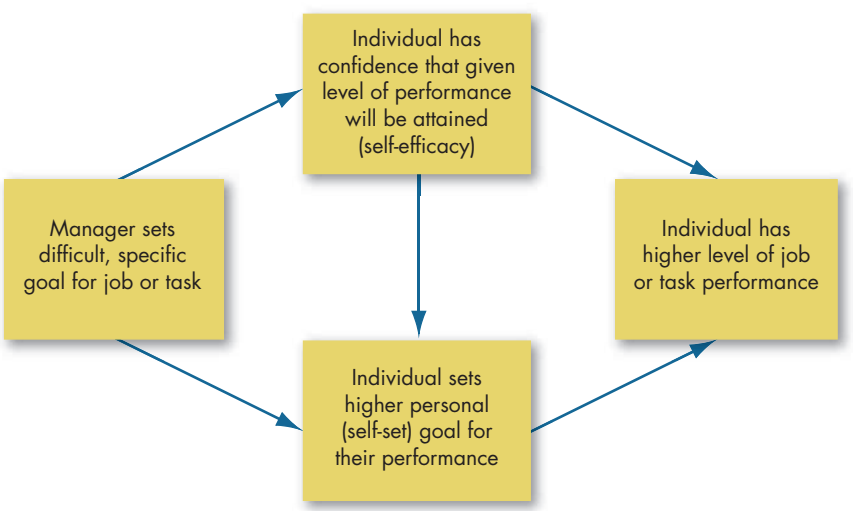

Figure 6.5 Joint effects of goals and self-efficacy on performance

Source: Based on E. A. Locke and G. P. Latham, 'Building a practically useful theory of goal setting and task motivation: a 35-year odyssey', *American Psychologist*, September 2002, pp. 705–17.

shot might not increase your confidence in being able to play the shot yourself, but if you watch a golfer with a handicap similar to yours, it's persuasive.

The third source is *verbal persuasion*, which is becoming more confident because someone convinces you that you have the skills necessary to be successful. Motivational speakers use this tactic a lot.

Finally, Bandura argues that *arousal* increases self-efficacy. Arousal leads to an energized state, which drives a person to complete a task. The person gets into a heightened mental state and performs better. But when arousal is not relevant, then arousal hurts performance. In other words, if the task is something that requires a steady, lower-key perspective (say, carefully editing a manuscript), arousal may in fact hurt performance.

What are the OB implications of self-efficacy theory? Well, it's a matter of applying Bandura's sources of self-efficacy to the work setting. Training programmes often make use of enactive mastery by having people practise and build their skills. In fact, one of the reasons training works is because it increases self-efficacy.[62]

The best way for a manager to use verbal persuasion is through the *Pygmalion effect* or the *Galatea effect*. The Pygmalion effect is a form of a self-fulfilling prophecy in which believing something to be true can make it true (as discussed in Chapter 5). In the Pygmalion effect, self-efficacy is increased by communicating to an individual's teacher or supervisor that the person is of high ability. For example, studies were done in which teachers were told their students had very high IQ scores (when in fact they had a range of IQs – some high, some low and some in between). Consistent with a Pygmalion effect, the teachers spent more time with the students they *thought* were smart, gave them more challenging assignments and expected more of them – all of which led to higher student self-efficacy and better student grades.[63] This also has been used in the workplace.[64] The Galatea effect occurs when high performance expectations are communicated directly to an employee. For example, sailors who were told, in a convincing manner, that they would not get seasick in fact were much less likely to get seasick.[65]

Note that intelligence and personality are absent from Bandura's list. A lot of research shows that intelligence and personality (especially conscientiousness and emotional stability) can increase self-efficacy.[66] Those individual traits are so strongly related to self-efficacy (people who are intelligent, conscientiousness and emotionally stable are much more likely to have high self-efficacy than those who score low on these characteristics) that some researchers would argue that self-efficacy does not exist.[67] What this means is that self-efficacy may simply be a by-product in a smart person with a confident personality, and the term *self-efficacy* is superfluous and unnecessary. Although Bandura strongly disagrees with this conclusion, more research on the issue is needed.

Reinforcement theory

reinforcement theory
A theory that says that behaviour is a function of its consequences.

A counterpoint to goal-setting theory is **reinforcement theory**. The former is a cognitive approach, proposing that an individual's purposes direct his action. Reinforcement theory takes a behaviouristic approach, arguing that reinforcement conditions behaviour. The two theories are clearly at odds philosophically. Reinforcement theorists see behaviour as being environmentally caused. You need not be concerned, they would argue, with internal cognitive events; what controls behaviour is reinforcers – any consequences that, when immediately following responses, increase the probability that the behaviour will be repeated.

Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens to a person when he or she takes some action. Because it does not concern itself with what initiates behaviour, it is not, strictly speaking, a theory of motivation. But it does provide a powerful means of analysis of what controls behaviour, and for this reason, it is typically considered in discussions of motivation.[68]

Although it's clear that so-called reinforcers such as pay can motivate people, it's just as clear that for people, the process is much more complicated than stimulus–response. In its pure form, reinforcement theory ignores feelings, attitudes, expectations and other cognitive variables that are known to affect behaviour. In fact, some researchers look at the same experiments that reinforcement theorists use to support their position and interpret the findings in a *cognitive* framework.[69]

EMPLOYABILITY *AND* MOTIVATION

Usemyability (UMA) discusses the issue of self-motivation with regards to employability skills. They define self-motivation as, 'the force that keeps pushing us to go on; it is our internal drive to achieve, produce, develop, and keep moving forward'. UMA claims four factors are necessary to build the strongest levels of self-motivation:

1. Self-assurance and self-confidence
2. Positive thinking and self-efficacy
3. Focus and clear goal setting
4. A motivating environment

If an individual has limited self-motivation, then UMA believes employability skills such as adaptability; commercial/sector awareness; problem solving; time management; and self-management may be affected.

Focusing on the latter employability skill, self-management, limited ability with self-motivation may cause difficulties with the following:

- Demonstrating initiative – being able to identify new work opportunities, challenges and responsibilities.
- Planning – setting achievable and realistic goals, then implementing a systematic and organized strategy to achieving these objectives.
- Identifying priorities and organizing workload to maximize results.
- Pursuing tasks with energy, drive and enthusiasm.
- Showing determination by working towards a goal despite difficulties, setbacks or distractions.
- Taking personal responsibility to exceed standards and expectations.
- Taking responsibility to enhance one's professional development by addressing and overcoming these weaknesses and fully utilize one's strengths.

Clearly, improving our self-motivation is an important driver of employability.

Source: www.usemyability.com. Accessed 14 June 2015.

John Giles/PA Archive/Press Association Images

The Humber Rescue team illustrate the importance of enactive mastery in increasing self-efficacy. The River Humber in the North of England is said to be one of the most dangerous navigable rivers in the world. Humber Rescue is an independent charity responsible for the provision of a fast-response rescue boat on the rivers of the Humber Estuary. The crew is entirely voluntary and comes from all walks of life. Training is vital as it increases the crew's confidence to succeed in their tasks and turns the volunteers into lifesavers.