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 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