Practical Studies on Participative Goal-Setting

A logger project conducted by Gary Latham and Gary Yukl supported the notion that the nature of the supervisor-subordinate relationship is critical in the success of goal-setting programs.

The target of the study was 48 logging crews, half of which were classified as marginal or educationally disadvantaged (workers were primarily black with educational levels below the ninth grade) and the remainder of which were classified as educated (white workers with at least a high school education). The intervention was similar to those in the other logger programs. Producers handled goal-setting with their crew in one of three ways: Those who used participative goal-setting required their crew to determine difficult but attainable weekly production goals; those in assigned goal groups set specific goals without consulting their crews; those in control groups urged their crews to do their best (vague goals). Sawyers in goal-setting crews monitored their performance with tally meters.

The results after eight weeks revealed that among the uneducated sawyers, those that participated in goal-setting set higher goals, accomplished their goals more often, and produced more than sawyers in the other groups. This finding supports the hypothesis that by allowing workers to participate in goal-setting, the supervisor informally trains the subordinate in goal-setting and reinforces improvement. The data from the educated crews showed that there were no differences among the three kinds of goal-setting. Latham and Yukl reported that the management in the company with the educated crews did not support the program. Consequently, although goals were set, educated crews did not receive “stimulation, counseling, and encouragement.” The failure of the program with educated crews emphasizes the significance of the supervisor as well as the importance of top management support.

Most organizational goal-setting programs focus on production goals. To meet production goals, however, workers must complete individual tasks. Completing tasks requires engaging in a series of behaviors, yet goal-setting programs in organizational settings often overlook behavioral-based objectives or goals. Gary Latham, Terence Mitchell, and Dennis Dosset found the behavioral objective approach effective in increasing the productivity of engineers and scientists provided that they participated. Again the procedure was similar to those used with the loggers: Thirty-eight managers were trained in goal-setting, and 76 subordinate engineers participated in goal-setting or were assigned goals by their managers. Engineers monitored their performance with behavioral checklists. Findings revealed that engineers in both assigned and participative groups were equally committed to their goals and saw them as advantageous, relevant, and potentially satisfying. The main difference was that those who participated set higher goals.

In a second phase of the program, data were collected on 132 engineers and scientists six months after goal-setting. Engineers with specific goals, regardless of whether they were assigned or participative, produced more than those who were urged to do their best (vague goal) or those who had no goals at all (control group). In other words, the more specific the goal, the higher the performance. As in the case of the loggers, engineers who participated set more difficult performance goals and produced more.

Let's summarize the outcomes of the goal-setting programs. Most notable is that when combined with feedback, goal-setting resulted in increased levels of productivity. Specificity was important; Specific goals led to more productivity, whereas a vague goal (to “do one's best”) did not. Subordinates' participation in the goal-setting process was a critical variable. Participation led to more difficult goals, which were accomplished more often and resulted in higher productivity.

Beyond specificity and participation, little is known about the impact of goals on performance. A functional analysis revealed that goals function as an antecedent for improved behavior which is then reinforced with feedback.

The supervisor plays a critical role in setting this process in action. When given a vague goal and little supervision, a subordinate is likely to set inappropriate goals (too low or too high). Supervisors can guide subordinates in setting specific, appropriate (difficult but attainable)
goals. During this process, subordinates can learn the behaviors involved in setting a goal. The supervisor can also provide positive consequences for improved performance. Once set in motion, self-monitoring provides feedback, which prompts self-reinforcement and additional goal-setting. At this point the supervisor can maintain the process with intermittent reinforcement for setting goals, recording data, and improving performance.

One program demonstrated that goals expressed in terms of behavioral objectives can be used to improve productivity. Behavioral objectives have many advantages. First, task or production goals specify an outcome, but not how much of what behavior is required to accomplish that outcome; behavioral objectives do this. Second, when subordinates participate in setting their own behavioral objectives, they have an opportunity to learn work performance. They learn to focus on their own behavior and its relationship to outcome. Providing consequences to oneself for performance is another self-management technique. The self-monitoring procedures help maintain a focus on one’s own behavior, provide immediate feedback, and prompt self-reinforcement.

Using Participative Goal-Setting to Teach Self-Management

Ivancevich, McMahon, Streidl, and Szilagyi evaluated the broad-based Tenneco, Inc., performance planning and evaluation system for management development. The premise behind the program was that constant management is important and that an ongoing dialogue between manager and employee at every level of the organization is the basis for such continued development.

Three overriding program goals were established: (1) improved on-the-job effectiveness by each employee in his or her present position; (2) self-development of each employee to promote future effectiveness and career growth; (3) identification of managers who were capable of handling greater responsibility.

To accomplish these goals, a task force representing each divisional company developed a flexible program that could be tailored to individual needs and circumstances. Top-level commitment and support were demonstrated through publicity statements and the active participation of the president. Fifteen thousand managers were trained in the identification of job responsibilities (outputs expected) and performance planning (setting personal development goals). Five thousand managers of managers were trained in performance evaluation, coaching, and counseling. Once a year, employee and supervisor met for performance planning.

During their dialogue, specific aspects of the job were discussed and performance goals were agreed upon and recorded. Periodically the supervisor checked progress, gave feedback, and suggested ways to improve. At the end of the year a formal performance evaluation was made. In this meeting, actual performance was compared with the stated behavioral objectives. Employees discussed with the supervisor how they were doing, and participated in developing a self-development plan for the next year.

The available results on the effectiveness of the Tenneco approach are limited to measures of attitude change after the first six months of implementation. A survey was made of a random sample of over 4,000 managers, half of whom were using goal-setting and half of whom were not. Users reported that goals were clearer, that they participated more in goal-setting and received more feedback on goal accomplishment. Users also reported having more job autonomy and variety, more work group cohesion, satisfaction with pay, and promotional opportunities, and less job tension than did nonusers.

The supervisor-employee dialogues provided an on-the-job opportunity for supervisors to develop and refine their management skills. This process was repeated at every level of the company. Thus, each manager was constantly involved in self-development activities.

On the one hand, each manager had a personal yearly performance plan; on the other hand, each practiced and perfected his or her supervisory skills with subordinates. The locus of this development was the goal-setting and evaluation meeting.