# Research Review on Goal Setting

*by* Deborah Bowman, PhD

While I am not big on New Year Resolutions, I am a huge fan of establishing goals consistently throughout the year and annually without overdoing it. In fact, I always try to urge my clients to establish both personal and professional goals year round and for sure at year's end for the coming year. Setting goals is not just reserved for New Year's resolutions in our competitive marketplace. Generating strategies and goals year round are an imperative and simply good business sense, despite how tedious and complex the process might be. Remember, the activities that we dread are generally the ones that are the most essential, productive and worthwhile.

If you want to drive performance in your workplace, goal setting and providing the tools is a viable option. However, creating new goals as a method to pursue your strategies is not enough to steer performance and productivity. There are over 1,000 scientific studies on goal setting[7]. Research shows when creating goals, we must identify the moderators and mediator variables that could impede or help in achieving them[1]. For example, just as our personalities impact our day-to-day work lives they also have tremendous effect on goal attainment; as do other variables such as time, goal perception, task and skill knowledge, work and family conflict, self-efficacy, available resources, learning preferences, and so on. Research also shows that the more difficult the goal, the better our performance on the tasks we or our employees perform to reach that goal, as opposed to vague goals ("do your best") or no goals at all[1].

These and other research findings regarding the goal setting process and worthwhile activities, as well as  the limitations that stand in our way, are examined in this report using the most recent reliable scientific research as a foundation; a literature review per se. Also explored are when goal setting is *not* appropriate. These and other goal-related issues and principles can be used (and are being used) to best understand the development process of our workforce. This understanding assures that the goals built around the strategies we seek to attain, have the best chance of positively effecting employee and workplace performance.

## Foundational scholars of the goal's paradigm and why setting goals are important?

You can blame Dr. Edwin Locke for the development of goals theory, introducing this fascinating science back in 1968[2] (in a good way of course!). In fact, he and Dr. Gary Latham are the most decorated theorists on the subject (could this be because they know how to get things done?). What Locke really set out to prove at the time was how we act in work situations, both on our own freewill and because of the way we think (aka cognitions)[1]. This initial approach in his work makes sense, because to reach our goals we need to be motivated and truly think that the goal to some outcome is worthwhile for us to put any effort toward

reaching it (aka commitment). This is the crux of why we set goals…. to move towards our strategic imperatives.

The research results indicate that setting goals motivates us to act and gives us purpose to move in one direction or another (gives us a choice to act or not)[3]. If we are truly motivated toward the goal(s) we set (or the ones someone else set for us) *and* we're not just going through the motions, many behavioral scientists have found that performance increases[3] despite the many confounding variables. Believe it or not, the simple act of reaching a goal also helps us acquire new skills and abilities[3] because of the learning involved to reach varying steps or objectives in the process. Further, when we try to understand goal commitment, goal attainment, goal mediators and moderators, etc. we are really speaking of motivation. Just the simple act of wanting to reach for a goal involves a motivated employee or self. Yes, theories such as Maslow's hierarchy of needs, Vroom's expectancy theory, Bandura's social cognitive theory, Weiner's attribution theory and so on[3] can be used to define the various motivational principles. I'll save you from these and all the other theories, the many psychological processes and behavior implications for now! The point is there are underlying automatic psychological processes[3] that motivate us toward a committed goal and you guessed it, Motivation is Key; thus suggesting a direct relationship between goals and employee motivation.

## What about Commitment to the Goal?

Just the conscious effort of trying to reach a goal regulates "how hard" we work on the necessary task(s)[9]. In other words, commitment is a prerequisite to attaining a goal[2]. When we truly believe the goal is attainable and there is value (money, personal reasons, public approval, etc.), research shows commitment and effort to reaching the goal is highest[9,10]. Believe it or not, the same can be said if we are "told" to reach a goal (despite the limitations of our ego); more so if it's personal or again, has other meaning such as a financial reward or growth opportunity for example[2,9,10]. Essentially, there is evidence that suggests "assigned goals" lead to the same amount of commitment as do personally developed goals[2]. "Evidence" of commitment can also be seen by the simple act of action towards the goal[9], as described above. Because commitment is a prerequisite, having evidence via some type action or cognition provides us the answer of whether an employee or leader is committed.  In addition, attribution theory emphasizes that our performance on the goal itself, whether good or bad, effects our subsequent choices and actions (whether new goals are created or not)[4,10]. This is the so because success contributes to a higher self-efficacy, thus providing momentum for further action. In contrast, if we were unsuccessful in achieving a goal and the feedback per se was less than positive, future performance will be affected negatively because of the same attributing factors (i.e., low self-efficacy in this case).

As can be seen, there are variations in commitment [9], but the simple answer is: if there is no commitment toward the goal or strategy, then clearly goal setting will not work for that particular project or strategy. For example, you can ask your employees to achieve excellent customer service as part of your business strategy. If they lack the motivation and are not committed for whatever reason, then you will be fighting an uphill battle; more so if achieving great customer service is an extremely difficult task. Other determinants of commitment include "external factors (authority, peer influence, external rewards), interactive factors (participation and competition), and internal factors (expectancy, internal rewards, know-how)" (p. 23)[9]. These determinants and others are known as conscious and unconscious mediators and moderators.

## What are the known mediators and mechanisms of goal achievement?

Anytime we set off to explore a personal or work-related issue that has any importance, we should be viewing the decision process contextually. This means examining important research findings and seeking to understand the intervening variables of the entire issue; goal setting notwithstanding. Space limits a

thorough discussion on context, but the foundation generally includes an understanding of issues such as mediators and moderators of the goal setting process (or "what could possibly stand in the way?").

## Mediators

When we refer to mediators, we are talking about intervening variables that are activated at the "subconscious" level and act positively or negatively to produce a response[6], such as personality, self-efficacy (aka confidence), and importance of the goal to the individual (e.g., passion)[14]. The employee's cognitive tools to complete the goal or tasks such as task-relevant knowledge, skills and abilities that need to be pulled into awareness or conscious thought are considered mediators. Persistence (e.g., tenacity), attention towards the goal, and job autonomy are also known mediators[14].

Note that clearly self-efficacy is a major mechanism that affects performance at the subconscious level[6]. This is an old school principle in that great performance is related to high self efficacay[1,2]. High self-efficacy is also attributed to how long the employee will persist on the task(s) and how much effort they put into it[2]. Therefore, self-efficacy is a major mechanism for setting, being committed to and achieving goals[2] and is definitely a variable that must be weighted during the goal setting process.

## Moderators

Moderators, on the other hand and as shown in Figure 1 below, include ability, goal commitment (e.g., public commitment is more effective than private commitment)[2] in relation to goal pursuit, the complexity of the task for the individual or group, role overload, and other situational constraints[14]. Just as self-efficacy is a key mediator, feedback is considered a key moderator[14].

Rewards are also considered a moderator whether they are self-administered, given by others, contingent on some degree of performance or non-contingent (no dependence of performance). Rewards have been shown to produce more satisfaction with the goal setting process, because they directly affect performance and are situational (what the individual wants or values)[10].
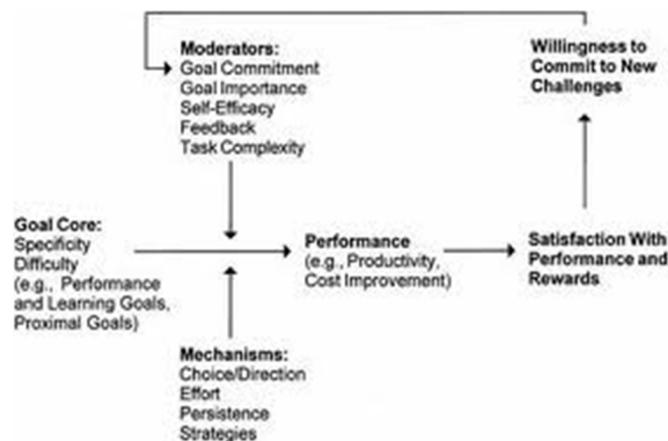
**Figure 1. The High Performance Cycle**



*Figure 1.* Model shows how rewards, satisfaction and commitment to goals is part of a cycle that starts with specific, difficult goals and must include consideration of the various moderators and other mechanisms in order to achieve higher performance.  Adopted from Locke, E. A. and Latham, G. P. (1990). Work motivation and satisfaction: Light at the end of the tunnel. *Psychological Science, 1*(4), 244. Copyright 1990 American Psychological Society.

## Are there any limitations to goal setting?

It seems like there are limits and differing views to nearly everything we do; the same can be said for goal setting. Despite the fact that goals can help improve performance, if not done right they can also contribute to strategy failure for several reasons. Behavioral scientists have shown that goals affect an individual's tendency to take risks[7]. Risk taking is a limitation to goal setting, because these type behaviors can be both a good and bad thing. We know that taking risks can lead to positive results such as increased productivity. In contrast, goals can create negative outcomes such as unhealthy competition, unethical decision making and actions taken by the employee or group by utilizing an "at all costs" mentality and/or "turning a blind eye". This suggests that goals can be misused. A poorly defined goal is also a limitation because this can lead to unintended outcomes, such as focusing on the customer experience while negating employee needs in the process. A poorly defined goal is generally a result of a lack of critical reflection during the development phase by not initiating such steps as a SWOT analysis, needs assessment, analysis of the competition, etc. Clearly this can be resolved by taking the time and resources to learn how to achieve goals.

If the goal life cycle is not being monitored using a tracking system (i.e., performance appraisal, scorecard, etc.) throughout the process, then well intentioned goals may be lead astray or even forgotten. This can be costly and time consuming, which classifies system monitoring as a limitation. Clearly, the effort and amount of time it takes to plan appropriately and track goal achievement seems obvious, but is often overlooked. There are also many other confounding variables aside of the determinants (i.e., mediators, moderators) that could interfere with the goal process, such as environmental influences like weather, poor leadership, customer demand, and so on.

As with all type workplace initiatives and organizational development interventions, there are generic limitations such as a poor communication strategy, resistance to change, an improper or non-existent needs assessment or gap analysis, lack of a systems view, and so on. There are also risks and limitations associated with overzealous goals or having too many goals. Other constraints include the inability to reach or approach a goal which would obviously limit both goal commitment and goal attainment[2]. There are other situational constraints such as a lack of resources that will also certainly stand in the way of achieving a desired goal[2]. Further, goals do not help business leaders explain "how" to improve a performance dilemma[11]. If any part of the goals cycle is damaged, there could be a cultural impact such as the loss of trust or personal responsibility[13]. Finally, similar to strategy development, identifying goals can be challenging because there will always be unknown variables or knowledge of future processes[11].

## Is Feedback Important?

Finally, a critical component of a goal setting is feedback. In other words, the science shows that there will be no long term effect on performance (e.g., habit forming) if feedback is not present or is limited[2]. Feedback is a key moderator of goal setting[1,14]. However, we know that feedback does not motivate high performance all on its own, but it does have a cognitive affect. If there are many types of feedback from, say multiple individuals, or the employee is given too much feedback or feedback that can be confusing (i.e., numbers of completed tasks done correctly, length of time to complete task, error rate, etc.), then performance towards the goal will likely diminish. That means that we need to be very strategic on how we communicate both positive and negative information when specifically addressing a goal or goals. In other words, if they do not have a performance goal (a standard, yardstick, expectation), then employees may not view feedback as significant and may not take the appropriate action in response to the feedback[2]. Finally, if you or the employee are unable to build a connection between the constructive feedback, the goal, the strategy, and the organization's mission, then goal attainment will likely be limited and at risk of falling prey to the limitations and other intervening variables.

## Other considerations

If you are constantly setting goals for yourself or your team, then beginning a new program will not be effective without a realistic examination of the factors described above; more so if explicit goals and objectives have failed in the recent past. In this case, try to reflect and learn what the barriers were before creating new ones.

Once we take our finger off the pulse on these and the many other limitations, small problems can get away from us and we lose the opportunity to re-strategize and devise new paths towards a goal. To avoid these limitations, my advice is to educate yourself and your supervisors. Be sure to track continuously using tools such as a goal setting software, scorecards or your performance management system at regularly set intervals, if the tasks or system of goals are complex. Finally, do not ignore the many confounding variables. The good news is that despite these limitations, the benefits of pursuing goals outweigh these and other restrictions.

## What are the benefits of setting goals in the workplace?

We already know that setting goals and goal setting behavior leads to better performance[2]. There is also ample evidence revealing goals improve both motivation and employee job satisfaction[2,11], which ultimately leads to employee engagement. Goals are a great way to provide a roadmap and measures on various initiatives, such as identifying development needs of your staff[11]. Goals also help create paths to follow, as opposed to entering unchartered territory without analyzing the potential issues or outcomes. They direct behavior of the leadership team and employees. This fact lends itself to goals serving as a guide to future business performances and activities and/or the basis of your organizational design. They help in understanding what is important because, they are built around the mission and strategies of the organization. I mentioned the SWOT analysis earlier; going through the stages of the goals life cycle can certainly be a bonus for identifying the organization's Strengths, Weaknesses, Opportunities and Threats for the future. As you can see, there are many benefits to establishing goals and objectives.

## How to get started...

Ok, so how do I approach this in my workplace? What is a simple, yet effective way to pursue goal setting for myself and my employees? Remember, success breeds success. That said, if you have had great success in the past reaching explicit goals and motivation for achieving the target(s) successfully is still present, then capitalize on the situation. Begin by establishing a new direction by first understanding where you or your business and your employees are currently with regard to perception, attitude and goal-directed behaviors[5]. To increase performance and goal achievement first seek to understand the different types of goals and how best to define them. For example, if the goal is personal then identify whether it is a career goal, professional development goal, fitness goal, financial goal, etc. If the goal type is business related, then clearly identify whether it is a financial goal, a learning goal, a group goal[14] or whatever and the characteristics of each. The strategy from which the goal was developed will provide this answer. Once the type goal has been identified, clear objectives must be created and measures of success listed[12]. Ensure that the new goals are directly related to *and* advance the organizations vision, mission and strategies. Once again, space limits a thorough discussion on how to use goals to improve performance. Therefore, below are excellent resources and chapter texts on performance management applications that contain guidelines for establishing goals, etc.[12]. If the business strategy is faulty or underdeveloped, then the goals that follow will be ineffective; thus suggesting more work is needed on strategy development first. Seek the assistance from experts in the field if the purpose of the strategy and goals are essential to growth and development.

## Conclusions

If you encounter the argument "we know all there is to know about goals and their confounding variables", consider it a fallacy! The research community still has quite the task ahead. I'm not suggesting there are no compelling reasons to seek or not set specific goals. Instead, I am inferring that there are many competing effects and limitations on the success or failure of goal attainment. That being said, before you step into the arena and develop business goals do your homework and explore what methods are effective based on the science. Before following a popular text or pre-packaged program, be sure it is based on solid empirical research. You will find that the solution to set certain goals (or not) is based on how important the initial strategy is to growth. Secondary considerations should include resources and the various mediating mechanics and moderating factors of the individual or team. Essentially, find a means to identifying whether or not you or your employees have the confidence, competence and motivation; all prerequisites to goal attainment. And lastly, your own knowledge and commitment towards the goal life cycle and leading your employees down those paths are an important component of how to utilize your human capital to achieve your business strategies.

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**Tags.** goal setting, learning goals, goals, mediators, moderators, conscious goals, unconscious goals, goal commitment, goal attainment, SMART goals, goal management, rigid goals, performance management, strategy development, high performance cycle, assigned goals, goals and objectives

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