

Goal Setting Theory in Contemporary Businesses: A Systematic Review

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Abstract

Goal setting is a common aspect of behavior modification, however, when goal setting is most successful is unknown. The objectives of this systematic review and meta-analysis were 1) to assess the literature on goal setting in businesses 2) to assess Locke's theory of goal setting and 3) to analyze the practicality of this strategy for enhancing employee motivation and performance. An attempt is made to identify limiting conditions, moderator variables, and intriguing future study topics.

Keywords

Goal Setting, Behavior Modification, Systematic Review, Impacts of Goal Setting

1. Goal Setting on Behavior Change: Systematic Review

Since the late 1960s, the goal-setting theory has had a considerable impact on organizational behavior theory and practice (Latham & Yukl, 1975; Locke, 1968). It has been observed that goal clarity and goal difficulty strengths and manages formal work performance. Locke and Latham present a comprehensive goal-setting theory of motivation. Their approach emphasizes the critical link between goals and performance. According to research, the most successful performance appears to occur when goals are precise and demanding; when goals are used to measure performance and are related to feedback on results, and when they inspire commitment and acceptance.

Goals' motivational impact may be influenced by moderators such as ability and self-efficacy. Moreover, research supports goals are more effective when they have a deadline (Lunenburg, 2011). Goals provided to a person (e.g., by a supervisor) influence behavior only to the extent that the individual consciously

accepts them.

Goal-setting theory (Locke & Latham, 2002; Locke & Latham, 2006) was developed because of several organizational psychology investigations on work-related task performance (Locke & Latham, 2002). Goal setting, according to the original theory, encourages behavioral change when two requirements are satisfied: (a) the objective (goal) must be conscious and specific, and (b) the goal must be relatively demanding (not too difficult or too easy).

According to Locke and Latham, five goal-setting principles can improve our chances of success: Clarity, challenge, commitment, feedback, and task complexity. When your objectives are clear, you know what you're attempting to accomplish. You can also accurately measure results and know which actions to reward. Therefore, SMART is such an effective acronym. However, when a goal is unclear—or expressed as a general guideline like “take initiative”—it is difficult to measure and demotivate. You might not even realize you've done it! People are typically driven by difficult goals, yet it is critical not to create a goal that is so difficult that it cannot be achieved. To be effective, your team must understand and agree on the goals; team members are more likely to “buy into” a goal if they helped set it.

You should not only choose the correct goals, but you should also listen to criticism so you can see how well you and your team are progressing. Feedback allows you to explain people's expectations and modify the difficulty of their goals. Remember that feedback does not have to come from others. Simply assessing your progress will allow you to see how well you're doing.

When goals or tasks are exceedingly complex, take extra precautions to ensure that work does not become too overwhelming. People who work in sophisticated and demanding roles may overwork themselves if they do not consider the task's complexity.

This does not imply that you must negotiate and get approval for every aim with your team members. They are more likely to commit to it if they believe the goal is attainable, it is compatible with the company's goals, and the individual assigning it is credible.

A goal is defined as “the target or purpose of an action” (Locke & Latham, 2002: p. 705), and goal setting is one of the main approaches recommended by public bodies and government agencies to promote behavior change (e.g., NICE, 2014; NHBLI, 2000). Goal setting is a critical component in assisting individuals to regulate their behavior and has been used in a variety of fields, including education (Clements & Kamau, 2018), sport (Anshel, Weinberg, & Jackson, 1992), health (Hurn, Kneebone, & Cropley, 2006), social behaviors (Madera, King, & Hebl, 2013) and work-related behaviors (Lunenburg, 2011). Goal setting is a typical behavior modification technique: According to a recent evaluation of interventions meant to improve physical activity, goal setting was the third most commonly employed strategy, with 34 percent (26 out of 76) of the therapies incorporating a goal-setting component (Conn, Hafdahl, Phillips, Ruppert, & Chase, 2014).

Locke's core assumption is that an individual's conscious intentions govern his

or her actions, and a goal is simply what the individual is deliberately attempting to achieve. As a result, ambitious objectives outperform easy goals, and particular, ambitious goals outperform no goals or a generalized aim of “do your best” (Latham & Yukl, 1975). Goals are thus linked to improved performance because they mobilize effort, concentrate attention, and motivate persistence and strategy formulation (Locke & Latham, 1990). Goal setting is a concept that has recently received a lot of attention. For a legitimate reason as the findings indicated that setting goals improve performance and productivity up to 11 to 25 percent. This approach is highly beneficial for improving performance and productivity. Unfortunately, as easy as this concept appears to be, there is trouble lurking in the details. And according to research, not all goals are the same, nor are all goals suited for every situation, and most importantly the wrong target in the wrong situation can severely impair performance and potentially decrease productivity.

2. Findings of the Goal-Setting Theory

The goal-setting theory supports that the objective is whatever individuals want to attain (Spector, 2000). According to Locke, goals influence behavior in the following ways. Firstly, divert attention and action to activities that the individual feels will help him or her attain the objective improve perseverance because the person spends more time on behaviors that will lead him to achieve his goals mobilize the effort because the person works harder to achieve his goals mobilize the search for high-level and capacity-building techniques that can be used to attain the objectives.

Employee motivation increases when a particular and tough goal is perceived and feedback on their progress is received. The following elements influence the effectiveness of targeting in enhancing employee performance. Firstly, the precise objectives, which are broad and generic goals, such as “raise productivity” or “improve performance”, do not appear to be helpful. Locke first established the goal of achieving a “better result” for drivers at the logging plant. This ambiguous order resulted in only a minor increase in burden. Goals must therefore be detailed for the employee to know exactly what he is looking for and to what extent he is succeeding.

Secondly, there are difficult goals. The more difficult the goals, the more effort employees can put out and the higher their performance. The “targeting phenomenon” refers to a rise in productivity based on the difficulty of the goal that the employee is expected to attain. According to Locke and Latham (1990), challenging goals improve performance since they are related to higher degrees of self-sufficiency and boost a person’s sense of self-satisfaction.

Thirdly, there is the goal of acceptance. In other words, not all types of targeting are always effective, as long as the predicted goals are not accepted (Kantas, 1998). For the employee to be welcomed and commit to them via his actions, he must be compatible with the employee’s personality and values. They must also be given in a fair manner (procedural justice), and their accomplishments must

be rewarded fairly (distributive justice). According to Erez and Early (1987), employee involvement in targeting strengthens their commitment to the goal. Employees put in greater effort to achieve goals that they establish for themselves than those set by management and their superiors. The objectives must also be commensurate with the employees' competencies. As a result, the "targeting phenomenon" is susceptible to various constraints. Many challenging and impossible goals are not acknowledged (Foster, 2000). The link between goal performance and difficulty could be described as an inverted U. Many easy targets do not boost employee effort or performance. The same outcome, however, contains numerous difficult goals that are not embraced by employees because they are seen to be unrealistic. Finally, external incentives (rewards, bonuses) and feedback are two further techniques for increasing employee engagement. People receive feedback to determine whether their efforts and behavior result in the achievement of the goal-outcome, which might serve as a motivator to enhance their effort. Furthermore, feedback on the accomplishments of other employees in the organization might promote individual mobilization (Riggio et al., 2003). After all, targeting is frequently used, which often results in informal rivalry, which promotes dedication to the goal (Latham & Locke, 1979).

Finally, there is self-efficacy. Individuals must not only have the essential skills to attain a goal, but they must also believe in their abilities. They must not only have objective abilities, but they must also believe they are capable of reaching the goal. Thus, self-sufficiency may be the only variable of individual variations that enters the targeting model (Landy, 1989). People who have a high sense of self-efficacy believe they are capable of finishing a project and are encouraged to put in more effort. Employees who do not believe they have the necessary talents, on the other hand, experience the reverse effect.

3. Major Learnings

Many of us understand goal setting as an important aspect of reaching success. Locke and Latham's principles can be applied to someone's goals if he can understand goal-setting theory. Their study validates the use of SMART goal setting, and their theory continues to influence how we measure success today. Set specific, tough goals and commit to reaching them before using this tool. Provided feedback should be careful to others' progress toward accomplishing their goals, as well as reflect on them. The task's complexity should be considered and, where applicable, goals should be divided down into smaller portions. If these easy rules would be followed, significantly better results in goal setting and general performance would be achieved.

4. Mechanisms of the Goal-Setting Theory

Workplace activities are often goal-oriented. Goals are frequently particular and tough, resulting in high performance. The goal-setting theory provides evidence to help people comprehend these consequences. However, more and more job

activities are no longer associated with clear and defined goals because the specific goals are unknown when the activities begin. One well-known example is design jobs. They are distinguished by the fact that the consequences are unclear for an extended period when working on the assignments. They are comparable to the earlier specified learning assignments in the article. People cannot accomplish analyzing the circumstances of action required to achieve the goals, executing trial actions, describing actions, creating language phrases, nor the coordination of components aims toward the overall goal or the comparison of the results to the goals that someone has set in his head.

Although these activities cannot be governed by precise goals as anticipated outputs, design efforts are not without direction because the outcomes must first be defined. People must accomplish to follow up on more than one problem-solving option and create evaluation criteria to be utilized in iterative error-correction processes and look for similar examples to serve as models for the current ones.

The practical implications of these concepts are straightforward. Although it is well recognized that high precise and definite result goals contribute to high performance, setting such goals is not always attainable, especially when the conclusion of work is not entirely evident at the outset. Setting learning objectives such as discovering a variety of ways for learning how to do the task, developing and testing task-relevant methods in a systematic manner, determining the evaluation criteria and applying what has been learned from the previous cases, will boost the chances of success in such a case. Finally, it would be useful, after learning about task-solving strategies, to revisit the goal-to-outcome relationship (Nerdinger, 2003).

5. Conclusion

This paper demonstrates how the concept of goal-setting theory. Applying this concept in our daily lives entails breaking work down into manageable portions and setting goals accordingly. Consider demanding, yet manageable just enough stimulation to draw your attention into the present now, but not enough tension to drag you back out.

All of this means that goal setting necessitates both high, difficult goals attained over time and specific goals accomplished one minute at a time. However, it also entails knowing which aim to prioritize at any given time. Across shorter timescales, attention must be focused on the work at hand (the clear objective) rather than the purpose for doing the task (the lofty, difficult goal), and getting this wrong might impede flow, depriving goal-setters of the very fuel they'll need to achieve those goals. This is becoming an increasingly important topic of study among organizational psychologists; a confident forecast can be made.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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