In “Goal Setting in the Australian Public Service: Effects of Psychological Empowerment and Organizational Citizenship Behavior,” Jeannette Taylor’s examination of goal setting through the lens of organizational citizenship behavior (OCB) reminds us that people are not oxen—autonomy, self-determination, and control are important determinants of human performance. The focus on OCB moves away from the usual examination of the mechanics of developing goals or ticking boxes in a performance management process. It moves us toward thinking more deeply about how public sector leaders and managers might structure work such that the people they lead willingly give their motivation, commitment, and engagement to achieve organizational goals. OCB explicitly acknowledges that the effort people give to their organization—or, perhaps more important, what they withhold from the organization—is discretionary.

In reflecting on Taylor’s article, I was reminded of an earlier work by Beer and Cannon (2004) that described the impact of Hewlett-Packard’s (HP) introduction of performance-based pay in the 1990s. Throughout the 1980s, the company invested in building the “HP Way” as an inclusive and high-trust culture that reflected many of the core tenets of OCB. In the 1990s, HP introduced a performance-based pay approach. This was in keeping with the zeitgeist of the decade. To its credit, HP included a range of practices and incentives to encourage team performance that sought to reinforce the philosophical tenets of the HP Way. Unfortunately, despite the best intentions of the new program’s architects, the more behaviorist approach to goal setting and performance management was internally divisive and promoted behaviors that ran counter to the HP culture. In my reading, the main casualty of this change...
was the breakdown in trust between individuals and teams.

In his book The Problem of Social Order, Dennis Wrong reminded us that “groups, institutions, and societies are nothing more than concentrations of recurrent interactions among people” (1994, 227). High-performing organizations are built on a foundation of trust and confidence that is accrued through time. Trust and confidence grease the social wheels of day-to-day performance and sustain organizations through crisis. In seeking to create the conditions in which high-performing individuals, teams, or organizations can flourish, our philosophy and approach to goal setting should reflect what motivates people rather than what might get the best from oxen.

All public sector institutions are facing considerable challenges in the coming decade. Citizen and government expectations of service delivery performance are increasing, technology is evolving rapidly and challenging long-standing processes, policy issues are cutting across traditional departmental barriers, and the sheer speed of change is redefining what has been seen as permanent. In this environment, mechanistic approaches to goal setting will fail to deliver the outcomes required by government and citizens. This environment requires goal-setting practices that will promote innovation, support initiative, and foster collaboration.

Taylor’s article reports three major findings. The first finding was that the effect of goal-setting was on the relationships between individuals and teams (OCBI) rather than the relationship between the individual and the organization (OCBO). What does this mean? For individuals, good goal setting provides role clarity and focus: Do I know what I have to do and the difference that my efforts will make? Will others cooperate with me to get the job done? Will they back me up and help me out if it gets difficult? Good answers to these questions quickly go beyond task achievement and to the quality of the relationships that I have with my subordinates, my peers, and my boss. It also goes to a more personal understanding of whether my contribution is valuable and meaningful. Consequently, there is more bound up in a simple goal-setting statement than task achievement. If we are to improve overall organizational performance through better goal setting, this is a fundamental understanding for managers.

The second finding of the article was that goal setting positively influenced psychological empowerment and OCBI. The final finding was that goal difficulty had a direct and indirect effect on OCBI. For me, the key word in both these findings is “empowerment.”

In practice, empowerment is viewed almost exclusively from the perspective of the individual and often without reference to experience or context. From a manager’s perspective, there is a sliding scale in terms of who is empowered and to what extent. Where a manager places a person on that scale is dictated by his or her experience of the employee, the nature of the task, and the context. For example, some people may believe that they are being “micromanaged” when in fact they are being managed within the limitations of their experience. Two practical questions for managers thinking about empowerment and goal setting are, do my people have the skills, authority, and freedom to take action within the scope of their responsibility? Have I created a leadership climate in which people can innovate, learn from doing, take calculated risks, and still be supported? These management questions are central to setting goals and contextualizing how effectively those goals have been achieved.

In summary, employee empowerment is a function of the extent to which the manager trusts employees to exercise their judgment and creativity and to act as the situation dictates in order to reach a specified goal. And employees trust that their manager will support whatever action they take in good faith to contribute to the good of the whole.

Taylor’s article begins to show that those who might think that goal setting is nothing but a way of wording performance statements have missed the point. Those who think that goal setting simply cascades from the top-line strategic goal are farmers sowing the seeds of better performance in an organizational desert.

How, then, can we improve the quality of goal setting in organizations? We might focus on building the relationships between individuals and teams that foster confidence and trust. In these workplaces, role clarity, empowerment, initiative, learning, and goal setting will happen as a matter of course. What people give to our organizations is at all times discretionary. The challenge for leaders and managers is to create the conditions (including through thoughtful goal-setting practices) in which people willingly give their effort to achieving organizational outcomes.

References