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Goal Setting Theory of Motivation

Course Objective

- Explain What is Motivation

- Explain the Theories of Motivation

- Explain What is Goal Setting Theory of Motivation

- Describe the Need for Goal Setting in Organizations

- Explain the Features of Goal Setting Theory

- Explain the Types of Goals

- Explain the Principles of Goal Setting

- Describe the Hierarchy of Goals

- Explain the Locke-Latham Goal Setting Model

- Explain the Steps of Goal Setting

- Explain the Relation between Goal Difficulty and Performance

- Explain the Role of Feedback in Goal Setting

- Explain the Role of Manager's Influence in Goal Setting Success

- Explain the Principles of Motivation for Effective Goal Setting

- List the Hurdles to Reaching Your Goals

Introduction

George Decker works as a Project Manager at Globus Inc. He is responsible for managing a team of seven team members. George has been facing a lot of problems with his team members. His team has been underperforming for a long time now. All of George's team members are de-motivated and do not have the enthusiasm or zeal to work.

Introduction

George tried to motivate them by using a reward scheme; however, it failed to motivate the employees. This was because all of them were satisfied with what the company was offering to them as their pay package. Therefore, any extra incentives or reward schemes failed to motivate the team.
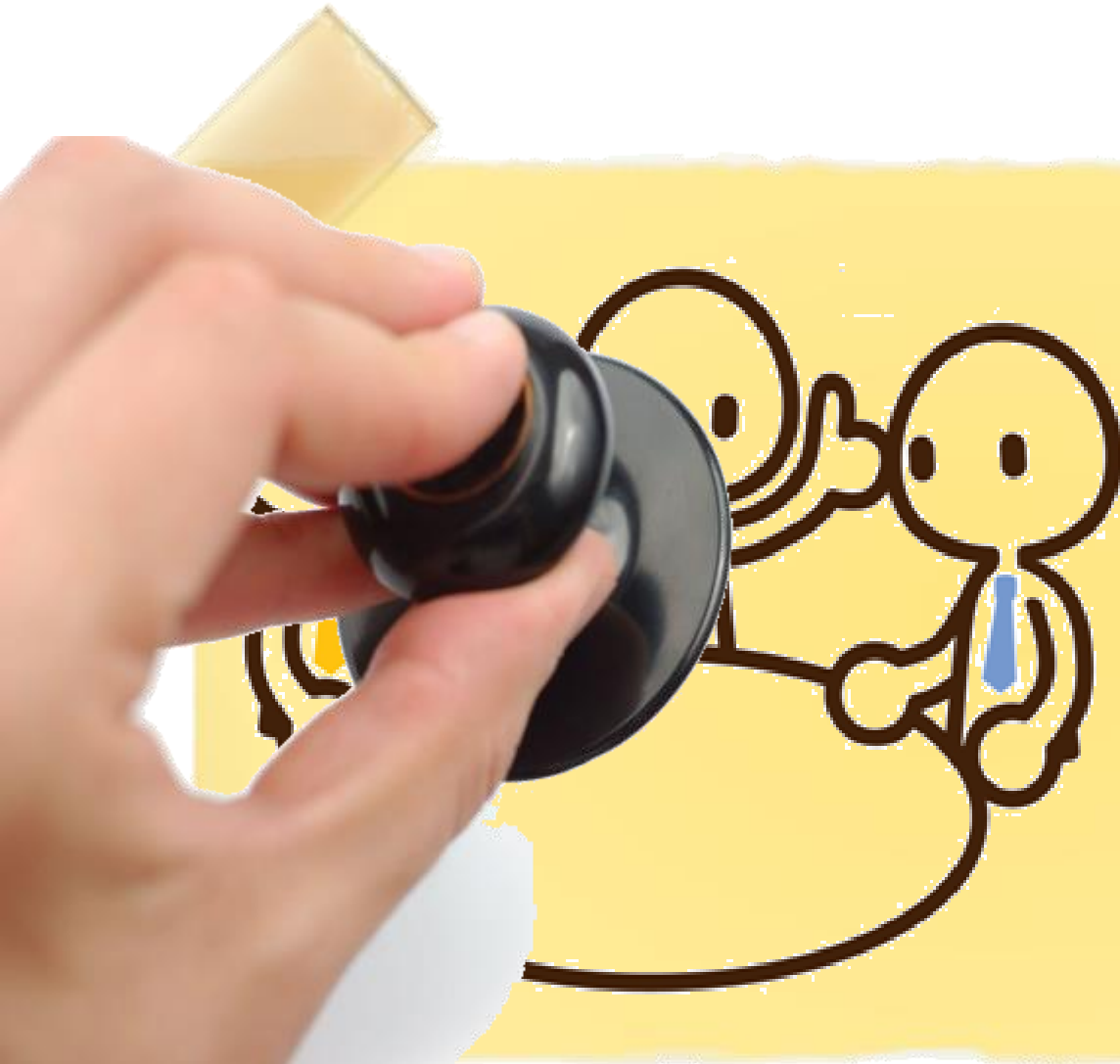
George was a participant in a workshop on motivation for managers to help them motivate their team members and get the best out of each employee. This workshop was arranged by the Human Resources team of Globus for all the managers at Globus.

At the workshop on motivation, George learned about the 'Goal Setting Theory of Motivation'. 'Goal Setting Theory of Motivation' states that 'Goal Setting' is essentially linked to 'Task Performance'.

Introduction

It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

After attending the workshop, George learned that one of the best ways to motivate his team members is through 'goals'.

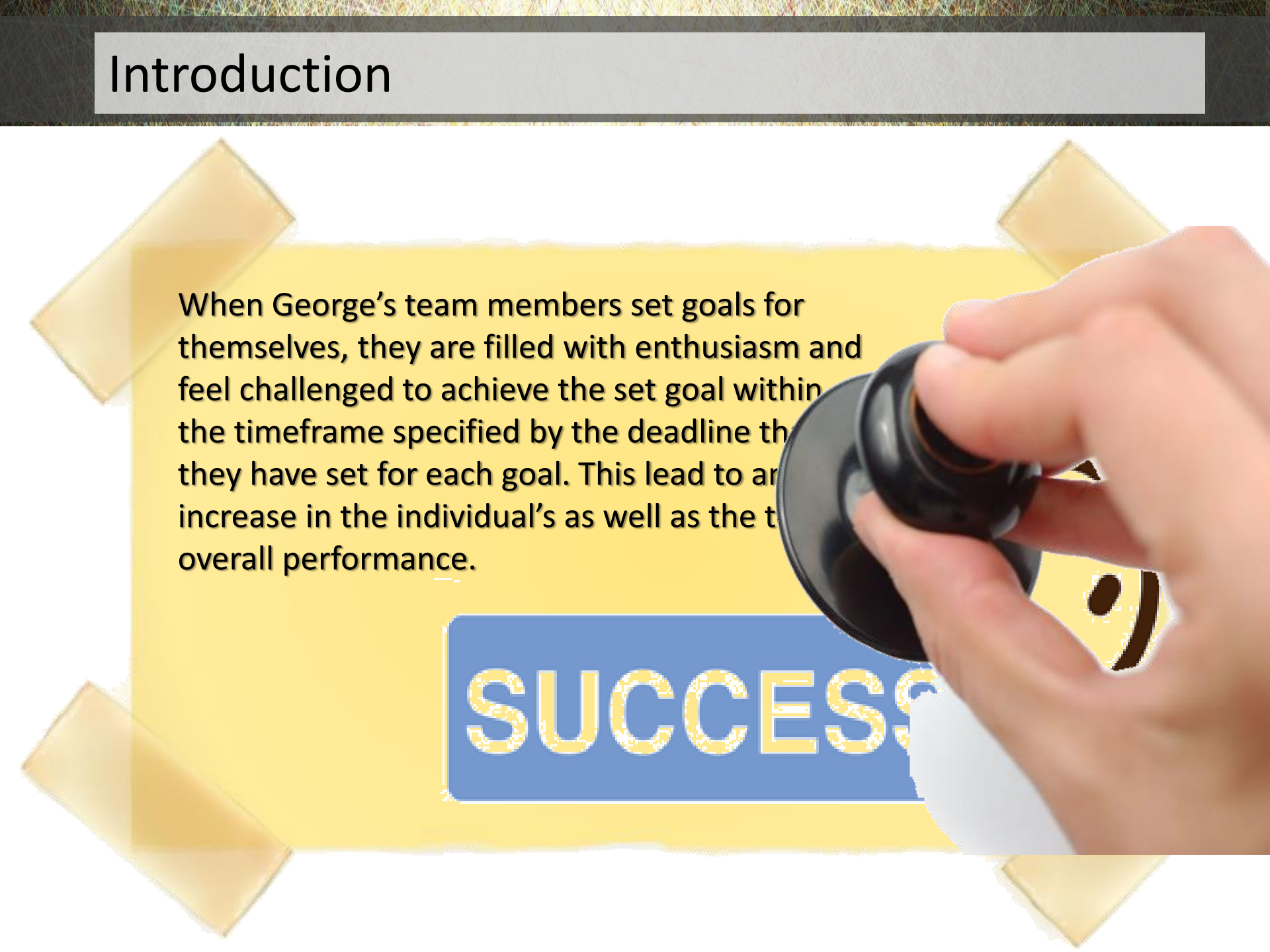George decides to apply the 'Goal Setting Theory' to motivate his team.

Each of his team members is allowed to set their individual goals. The goals set by the employees are in line with the organizational goals. Also, each goal set by the employee is accompanied with a deadline for achieving that particular goal.

When George's team members set goals for themselves, they are filled with enthusiasm and feel challenged to achieve the set goal within the timeframe specified by the deadline th they have set for each goal. This lead to ar increase in the individual's as well as the t overall performance.

SUCCES

Therefore, you can understand that the 'Goal Setting Theory of Motivation' is one of the most important process theories of motivation for motivating employees.

Let us learn about **'Goal Setting Theory of Motivation'** in detail.

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What is Motivation?
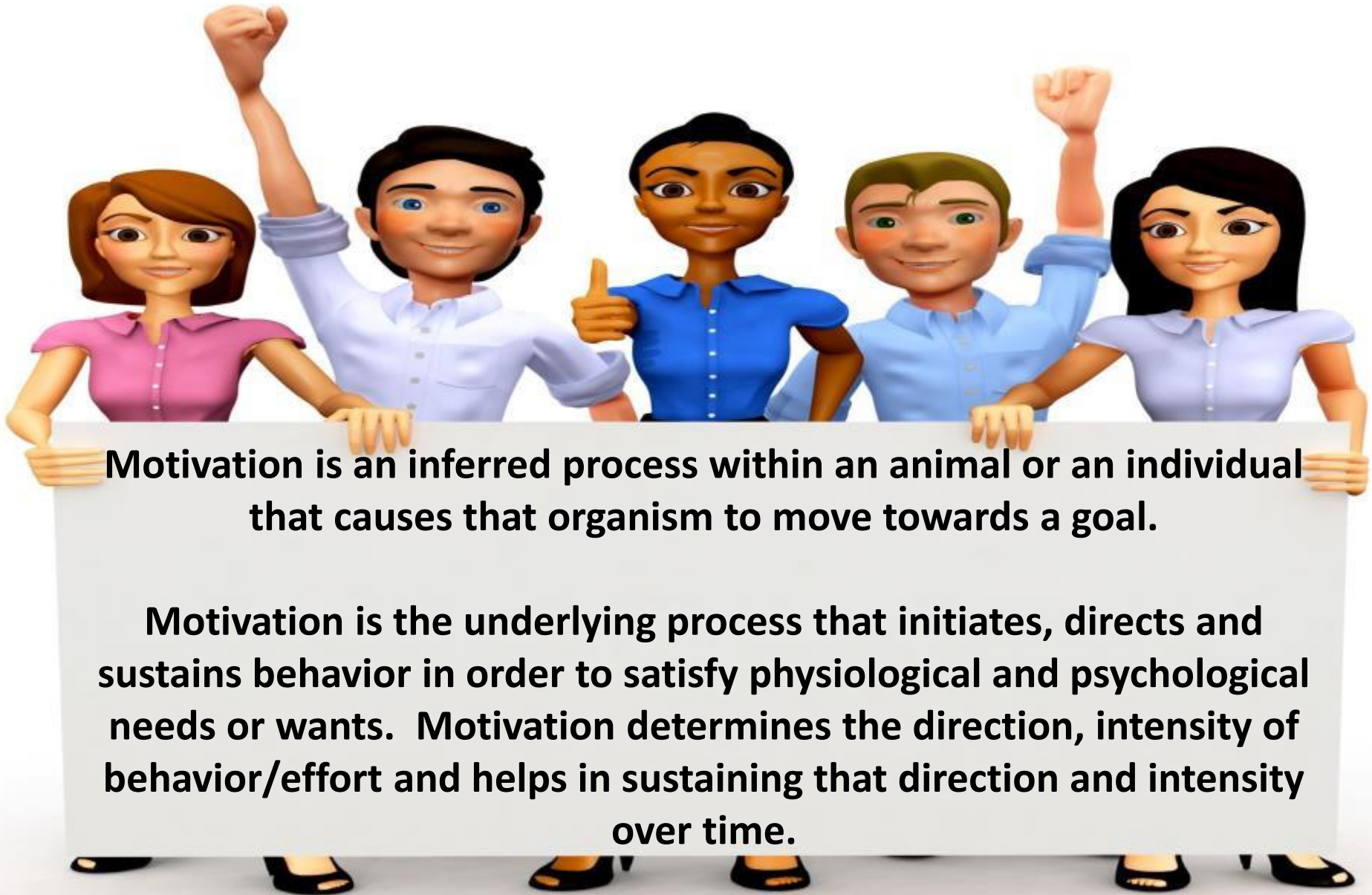
Motivation is an inferred process within an animal or an individual that causes that organism to move towards a goal.

Motivation is the underlying process that initiates, directs and sustains behavior in order to satisfy physiological and psychological needs or wants. Motivation determines the direction, intensity of behavior/effort and helps in sustaining that direction and intensity over time.

What is Motivation?

Motivation is an integral element in becoming successful in any undertaking.

Motivation has also been defined as a desire or need which directs and energizes behavior that is oriented towards a goal.

What is Motivation?

Motivation is the set of reasons that determines one to engage in a particular behavior.

The term is generally used for human motivation but, theoretically, it can be used to describe the causes for animal behavior as well.

What is Motivation?

According to various theories, motivation may be rooted in the basic need to minimize physical pain and maximize pleasure, or it may include specific needs such as eating and resting, or a desired object, hobby, goal, state of being, ideal, or it may be attributed to less-apparent reasons such as altruism, morality, or avoiding mortality.

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Theories of Motivation

There have been many theories of motivation proposed for motivating people, both on personal as well as professional front. These theories can be categorized into two types:

1

Early Theories of Motivation

2

Contemporary Theories of Motivation

Let's look at each in detail.

1

Early Theories of Motivation

The following are the 'Early Theories of Motivation':

- Maslow's Hierarchy of Needs Theory
- Theory X and Theory Y
- Two-factor Theory
- Herzberg's Theory of Factors
- McClelland's Theory of Needs

Contemporary Theories of Motivation

2 Contemporary Theories of Motivation

The following are the 'Contemporary Theories of Motivation':

- **Self-Determination Theory**
- **Goal-Setting Theory**
- **Self-Efficacy Theory**
- **Reinforcement Theory**
- **Equity Theory/Organizational Justice**
- **Expectancy Theory**

Features of Motivation

The following are a few important features of motivation:

Motivation is an act of managers

Motivation is a continuous process

Motivation can be positive or negative

Motivation is goal oriented

Features of Motivation

The following are a few important features of motivation:

Motivation is complex in nature

Motivation is an art

Motivation is system-oriented

Motivation is different from job satisfaction

Needs and Wants

People may get motivated due to different reasons. There are two different important motives that influence people towards action. They are:

Needs

Wants

Let us look at each in detail.

Needs

Needs

Needs:

'Needs' are something you must definitely have in order to survive and thrive. Hence, a 'need' is a compulsion for a person to have.

Wants

Wants

Wants:

'Wants' are something you can survive and thrive without.
If you want to decide whether something is a want or a need, ask yourself:
- 'Will I be satisfied after I get this, or will I want something more?'
- 'Am I hoping that this will boost my self-esteem?'
- 'Am I hoping that this will take away a painful feeling, such as loneliness, sadness, rejection, loss, or emptiness?'

If something does not truly satisfy you physically or psychologically, it is probably a want, not a need.

Extrinsic and Intrinsic Rewards

Rewards can also be offered to people to motivate them. There are two types of rewards:

Extrinsic

Intrinsic

Let's look at each in detail.

Extrinsic Rewards

Extrinsic

- **Extrinsic rewards are external and hence the motivation is available only after completion of the job.**
- Examples of Extrinsic Rewards
  - Pay
  - Increase in wages
  - Benefits
  - Promotions
  - Transfers
  - Insurance
  - Rest periods

Intrinsic Rewards

- **Intrinsic rewards are internal and hence the motivation is available at the time of performance of a job.**
- Examples of Intrinsic Rewards
  o Feeling of responsibility
  o Achievement
  o Constant learning
  o Taking challenges
  o Praise
  o Recognition
  o Delegation of authority & responsibility

Intrinsic

Why Goals and Not Rewards?

1

2

3

4

5

6

7

8

Many times just offering rewards to people does not help to motivate them.

The following are a few reasons why rewards often fail to motivate people:

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What is the Goal Setting Theory of Motivation?

- In 1960's, Edwin Locke put forward the Goal-setting Theory of Motivation.

- This theory states that 'Goal Setting' is essentially linked to 'Task Performance'.

- It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance.

- In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

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Need for Goal Setting in Organizations

Facilitates initiatives and innovations

Reduces wastages and breakages

Improves morale

Creates good relations

Improves corporate image

Reduces employee turn over

Reduces absenteeism

Higher Task Performance efficiency

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Features of Goal Setting Theory

The following are some of the important features of goal-setting theory:

	The willingness to work towards attainment of goals is one of the main sources of job motivation.
	Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.
	Specific and clear goals lead to greater output and better performance.
	Goals should be realistic and challenging. This gives an individual a feeling of pride and triumph when he attains them and sets him up for attainment of the next goal.
	Misunderstanding should be avoided by setting unambiguous, measurable and clear goals accompanied by a deadline for completion for each goal.

Features of Goal Setting Theory

The following are some of the important features of goal-setting theory:

	The more challenging the goal, generally the greater is the reward and the more is the passion for achieving it.
	Better and appropriate feedback of results directs the employee behavior and contributes to higher performance than absence of feedback.
	For an employee, feedback serves as a means of gaining reputation, getting clarifications and regulating goal difficulties.
	Feedback also helps employees to work with more involvement and leads to greater job satisfaction.
	Employees' participation in goal is not always desirable.
	Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

Contingencies of Goal Setting Theory

Goal setting theory has certain eventualities or contingencies such as follows:

1 **Self-efficiency**

2 **Goal Commitment**

Let's look at each in detail.

Self-efficiency

1

Self-efficiency

- **Self-efficiency is the individual's self-confidence and faith that he has potential of performing the task.**

- **Higher is the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks.**

- **While, lower is the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.**

Goal Commitment

2

Goal Commitment

- **Goal setting theory assumes that the individual is committed to the goal and will not leave the goal.**

- **The commitment to the goal is dependent on the following factors:**
  - **Goals are made open, known and broadcasted.**
  - **Goals should be set by the individual himself rather than designated.**
  - **The goals set by the individual should be consistent with the organizational goals and vision.**

The following are the assumptions that were made for proposing the goal setting theory:

Assumption 1: It is assumed that motivation is considered as a process.

Assumption 2: It is assumed that every individual is 'Competent' enough to achieve the goals.

Assumption 3: It is assumed that goals create motivational forces that motivate employees towards better performance.

Assumption 4: It is assumed that the set goals and self-related processes are interrelated and interconnected.

What is a Goal?

A 'Goal' is a future outcome or result that individuals and groups strive to achieve.

Hence, a goal is something that you would like to achieve at the end of an action or process.

What is meant by Goal Setting?

- **'Goal Setting' is the process of setting, defining and stating goals toward which individuals, teams, departments, and organizations will strive to achieve.**

Importance of Goal Setting

Goal Setting can prove to be an important motivator for employee performance. Goal setting is crucial for employee motivation because:

Goals help to guide and direct employee behavior
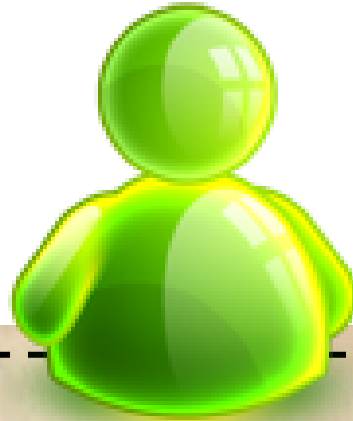
Individual and organizational performance is measured comparing the set goals which provide challenges and standards for comparison

Goals provide a justification of the performance of a task and the use of resources for a particular task

Importance of Goal Setting

Goal Setting can prove to be an important motivator for employee performance. Goal setting is crucial for employee motivation because:

Goals also provide and define the basis of organizational design
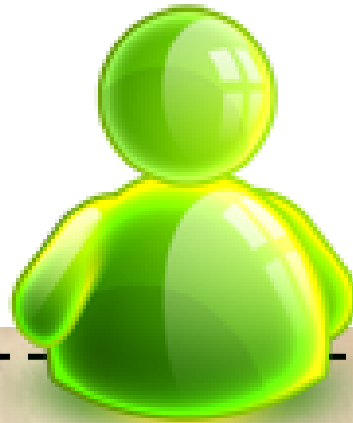
Goals tell an employee what needs to be done and how much effort will need to be expended for completing the task

For an individual's work, goals serve as an organizing function

Importance of Goal Setting

Goal Setting can prove to be an important motivator for employee performance. Goal setting is crucial for employee motivation because:

Goals that are specific and difficult act as an internal stimulus for an individual
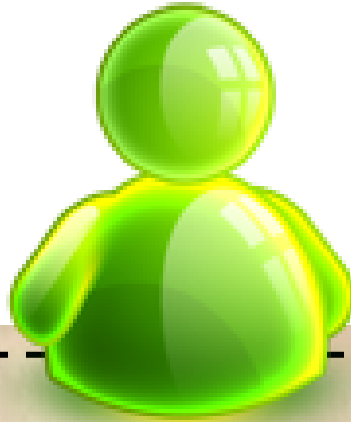
A specific goal helps to attain a higher level of output than a general goal

The feedback provided to individuals helps to act as a guide to behavior

Roll your mouse over the icon, to learn more.

Did you know?

Did You Know?

Goals and the Goal Setting Theory are greatly helpful to an organization as they help in increasing employee:

- Engagement
- Accountability
- Alignment
- Focus

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Types of Goals

There are various types of goals that a person may set for himself. It is very important for an individual to know and understand the type of goal that he should set for himself.

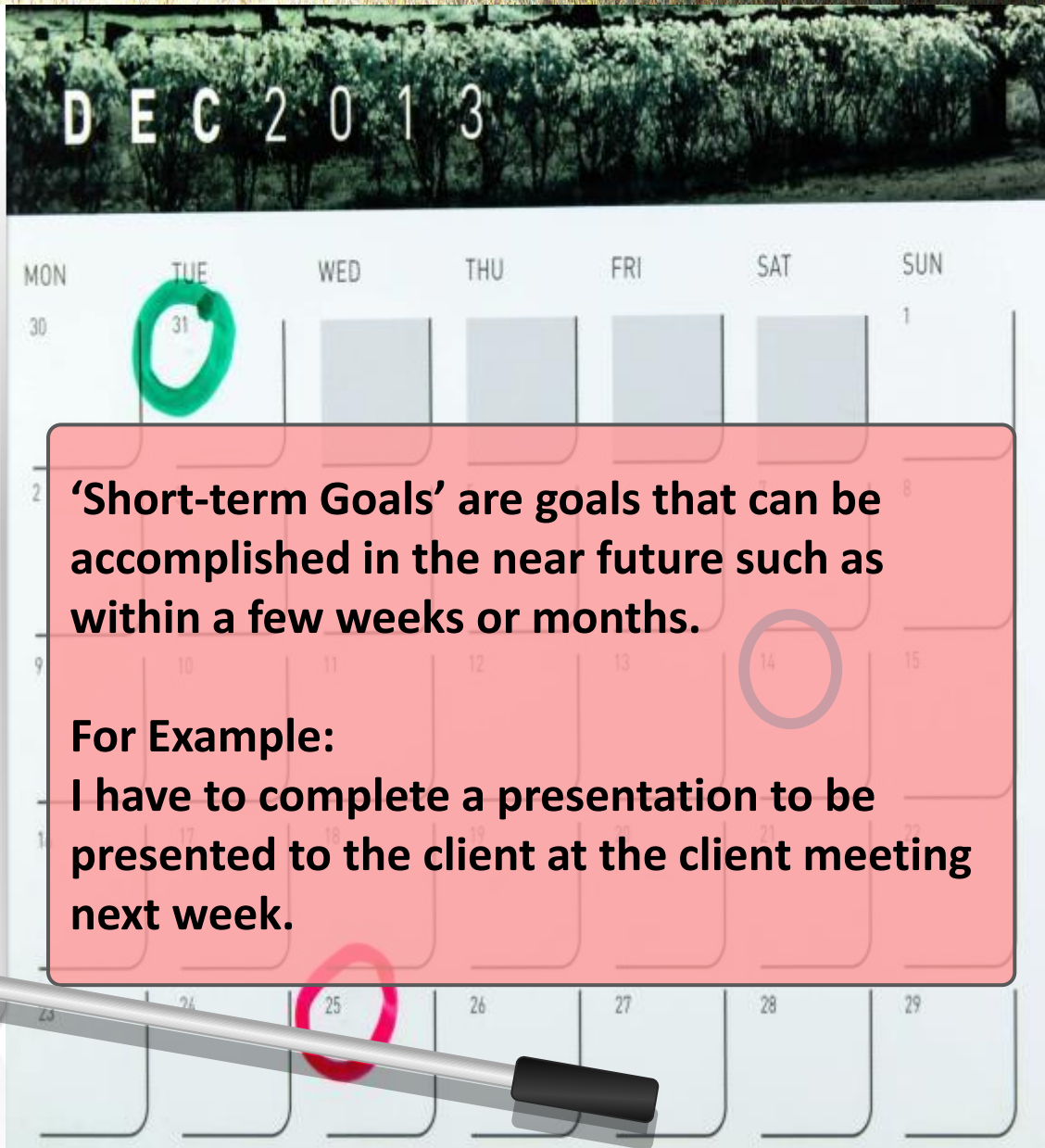The following are the various types of goals that an individual can define:

- **Short-term Goals**
- **Long-term Goals**
- **Fixed Goals**
- **Flexible Goals**
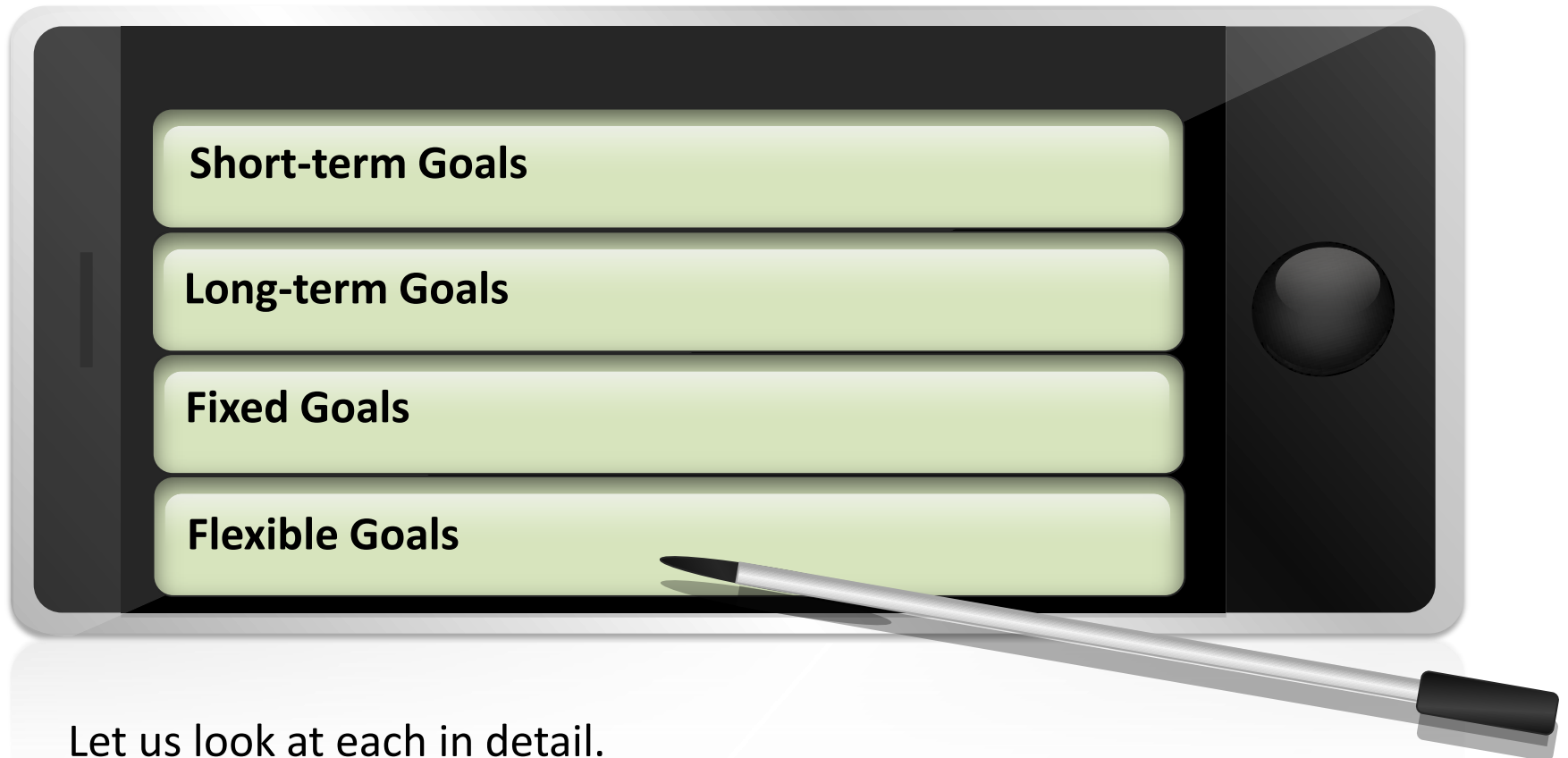
Let us look at each in detail.

Short-term Goals

Short-term Goals

Long-term Goals

Fixed Goals

Flexible Goals

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'Short-term Goals' are goals that can be accomplished in the near future such as within a few weeks or months.

For Example:
I have to complete a presentation to be presented to the client at the client meeting next week.

Long-term Goals

Short-term Goals

Long-term Goals

Fixed Goals

Flexible Goals

'Long-term Goals' are goals that are more far-reaching and take longer to achieve such as a year or more.

For Example:
I have to complete a course on 3D Animation to enhance my existing skill set as a Graphic Designer.

Fixed Goals

Short-term Goals

Long-term Goals

Fixed Goals

Flexible Goals

'Fixed Goals' are goals with an outcome that is based on a specific date or time.

For Example:
I have to complete filing my IT returns before March 31.

Flexible Goals

Short-term Goals

Long-term Goals

Fixed Goals

Flexible Goals

'Flexible Goals' are goals that have an outcome, but no time limit.

For Example:
I have to work myself up the organization's hierarchy and become a team leader of my team.

Realistic vs. Unrealistic Goals

Realistic Goals

Unrealistic Goals

Let's look at each in detail.

Realistic Goals

Realistic Goals

'Realistic Goals' are those goals that are real, ideal and not abstract.

Hence, realistic goals are those which are achievable and are not definitely doomed for failure due to chances of success.

When a person sets realistic goals, it can lead to feelings of being successful, enhanced self-image, and enhanced self-esteem.

For Example:
A person working as an IT Programmer wants to learn Software Testing.

Unrealistic Goals

For Example:
A person working as an IT Programmer aims to visit Mars.
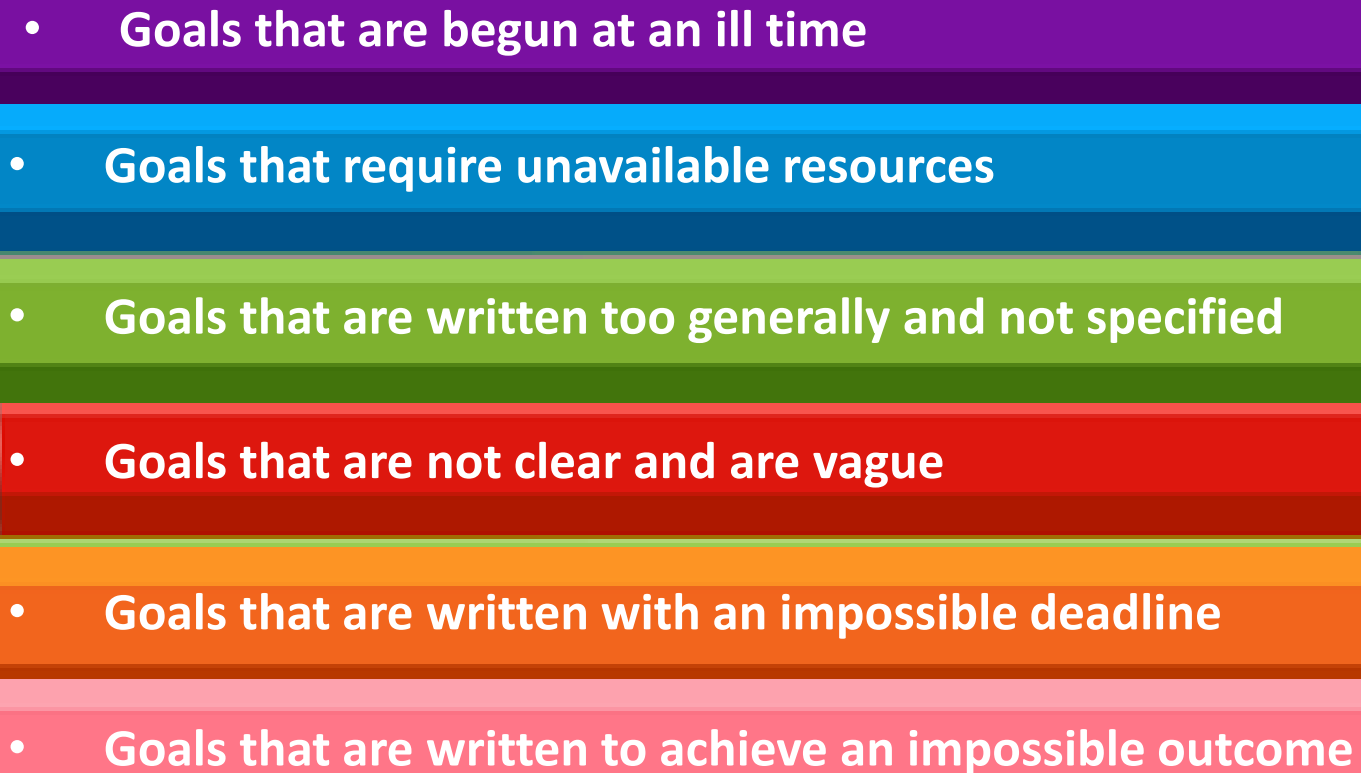
'Unrealistic Goals' are those goals that not realistic, non-ideal and abstract.

Hence, unrealistic goals are those which are non-achievable and definitely doomed for failure due to their impossible chances of success.
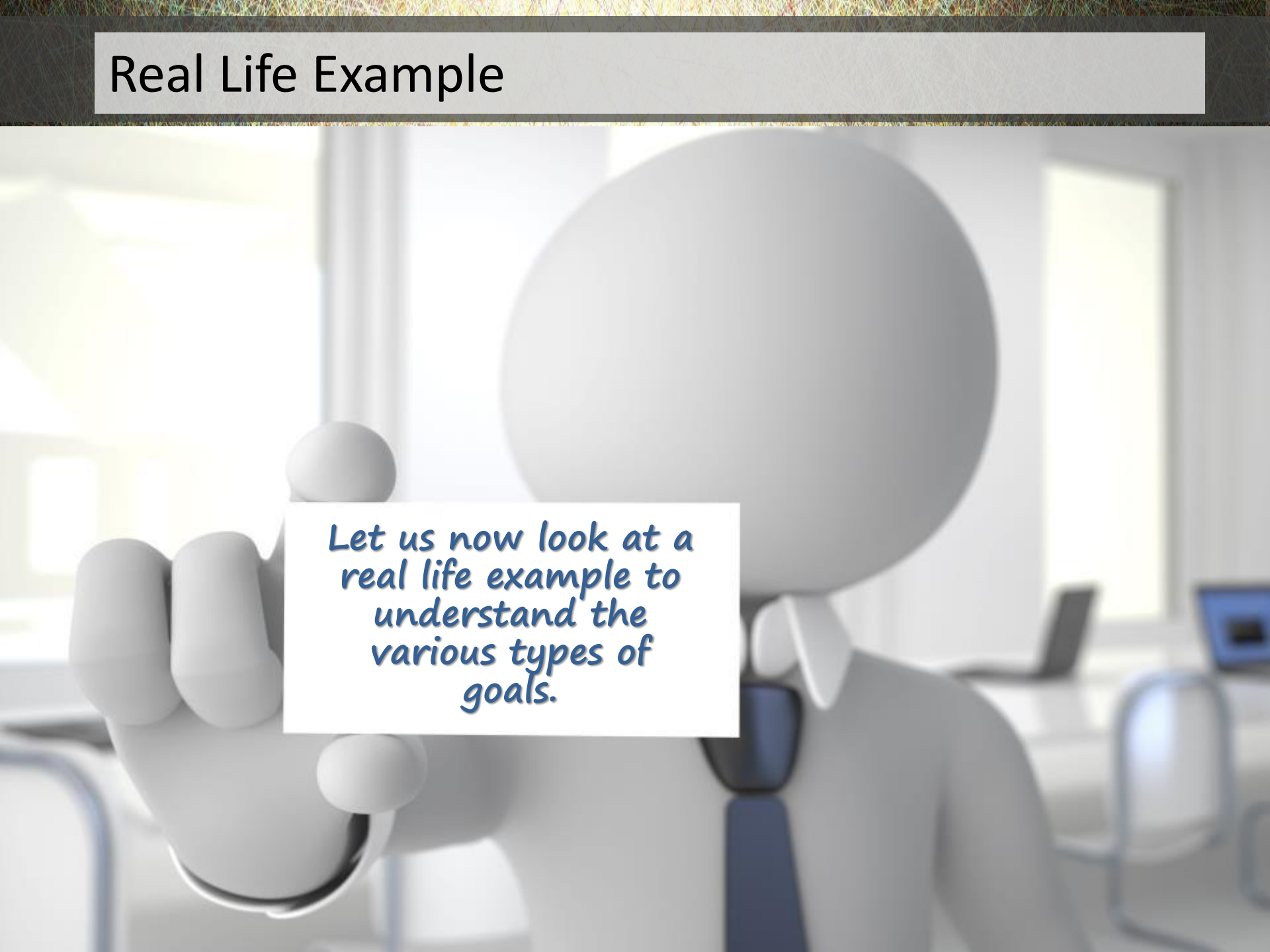
When a person sets realistic goals, it can lead to feelings of failure, lowered self-image, and lowered self-esteem.

Reasons for Goals being Unrealistic

The following are a few of the reasons that may lead an individual to set unrealistic goals for himself:

- Goals that are begun at an ill time
- Goals that require unavailable resources
- Goals that are written too generally and not specified
- Goals that are not clear and are vague
- Goals that are written with an impossible deadline
- Goals that are written to achieve an impossible outcome

Let us now look at a real life example to understand the various types of goals.

Real Life Example

You have seen that there are various types of goals that a person may set for himself.

It is very important for an individual to know and understand the type of goal that he should set for himself.

Keith

Wang

Gloria

Tracy
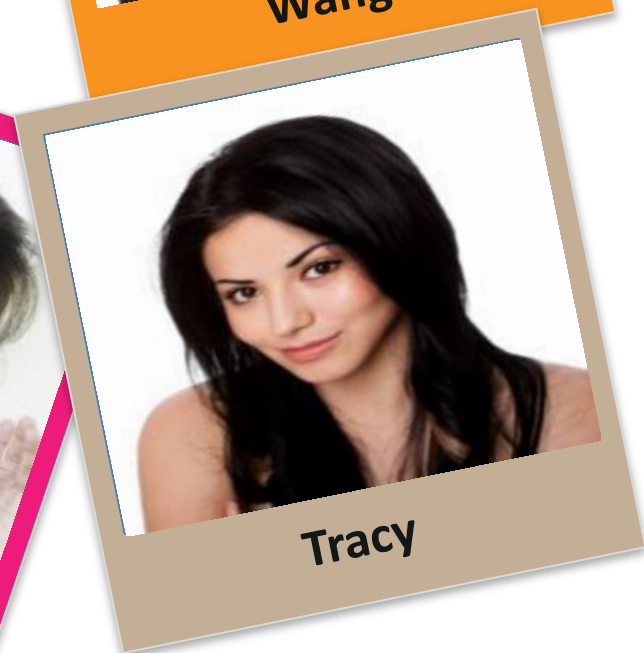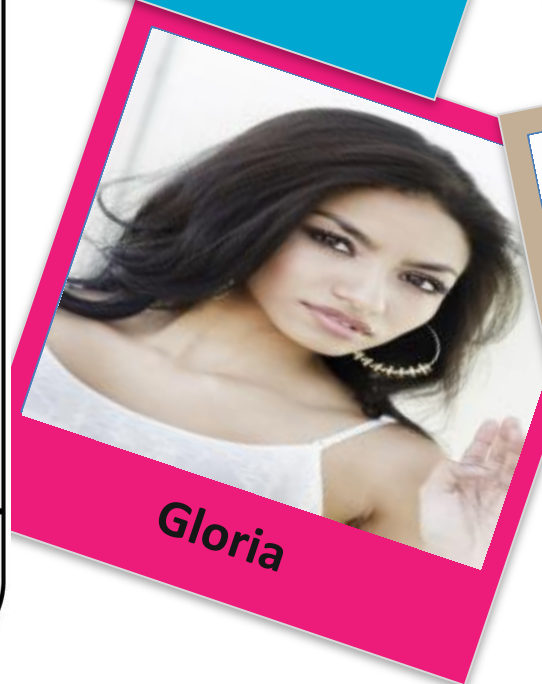
Real Life Example

Look at the following goals set by different individuals and try to identify the type of goal.

Real Life Example

Can you identify the type of goal that has been set by each of the given individuals?

Now let's look at the type of goal set by each of the given individuals.

Keith

Wang

Gloria

Tracy
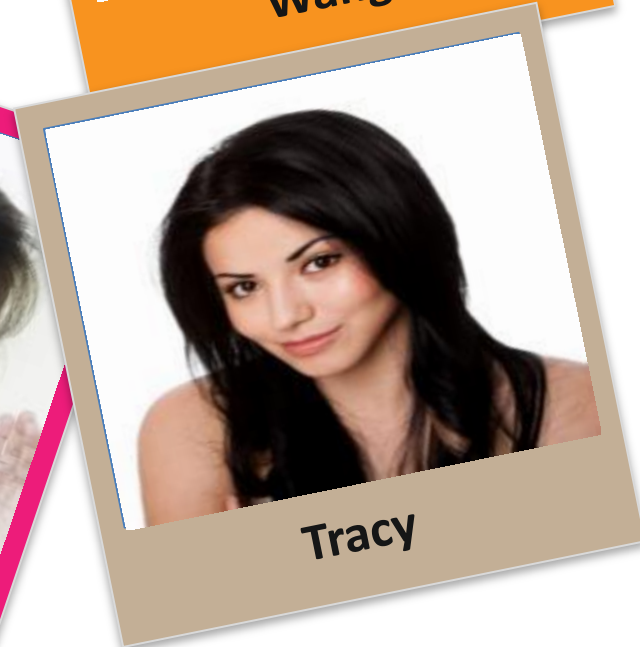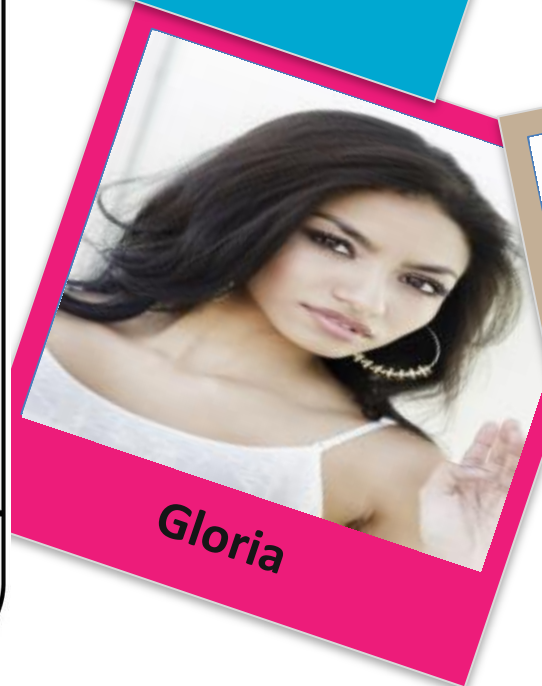
Real Life Example

Keith

Keith has set a 'Fixed Goal' for himself. 'Fixed Goals' are goals with an outcome that is based on a specific date/time. So, Keith has set a 'fixed goal' as he has to complete the Project Status Report by a specific time and specific date.
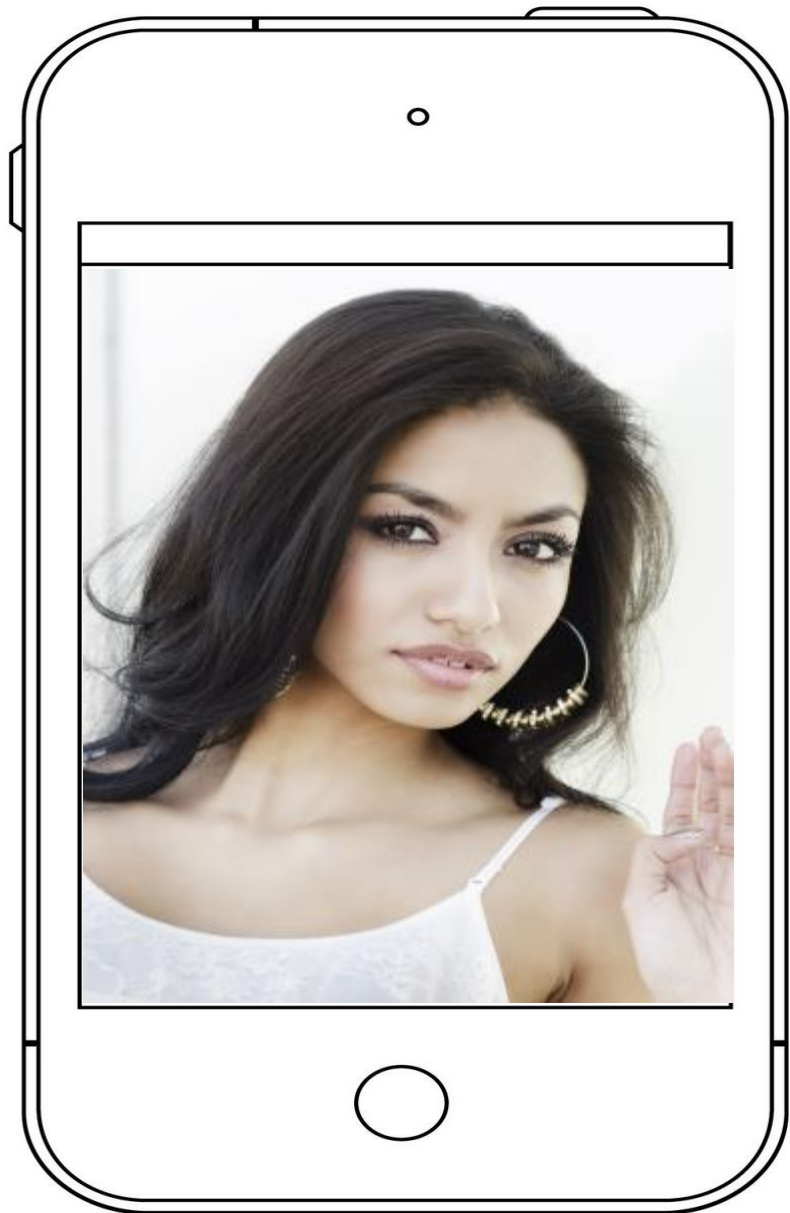
Real Life Example

Wang

Wang has set a 'Long-term Goal' for himself. 'Long-term Goals' are goals that are more far-reaching and take longer to achieve such as a year or more. So, Wang has set a 'long-term goal' as he has to complete high post-graduation degree which will take more than a year.

Real Life Example

Gloria

Gloria has set a 'Short-term Goal' for herself. 'Short-term Goals' are goals that can be accomplished in the near future such as within a few weeks or months. So, Gloria has set a 'short-term goal' as she has to find a new job with a higher position than her present one which may take her a few weeks or months to find.

Real Life Example

Tracy

Tracy has set a 'Flexible Goal' for herself. 'Flexible Goals' are goals that have an outcome, but no time limit. So, Tracy has set a 'flexible goal' as she has to rise up in her company to the position of a Vice President of Operations which is a defined outcome but has no time limit.

MCQ

Q.   Lisa has set a goal for herself to attend a Webinar every week to update her skills. What type of goal has Lisa set for herself?

⭕ Short-term Goal

⭕ Fixed Goal

⭕ Long-term Goal

⭕ Flexible Goal

Click on the radio button to select the correct answer!

Good! That's Right!

Correct Answer:

Lisa has set a 'Short-term Goal' for herself. 'Short-term Goals' are goals that can be accomplished in the near future such as within a few weeks or months.

Flexible Goal

Click here to continue!

That's Not Quite Right!

Lisa has set a 'Short-term Goal' for herself. 'Short-term Goals' are goals that can be accomplished in the near future such as within a few weeks or months.

Flexible Goal

Click here to continue!

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Principles of Goal Setting

- In 1990, Dr. Edwin Locke and Dr. Gary Latham joint published a book titled "Theory of Goal Setting & Task Performance".

- In this book, they included the fundamental principles that lie behind effective goal setting.

Principles of Goal Setting

The following are the fundamental principles that lie behind effective goal setting:

1

Clarity

2

Challenge

3

Complexity

4

Commitment

5

Feedback

MCQ

Q. Which of the following is NOT included as a principle of goal setting?

- ○ Clarity
- ○ Challenge
- ○ Complexity
- ○ Character

Click on the radio button to select the correct answer!

Good! That's Right!

Correct Answer:

Character is NOT included as a principle of goal setting.

Character

Click here to continue!

That's Not Quite Right!

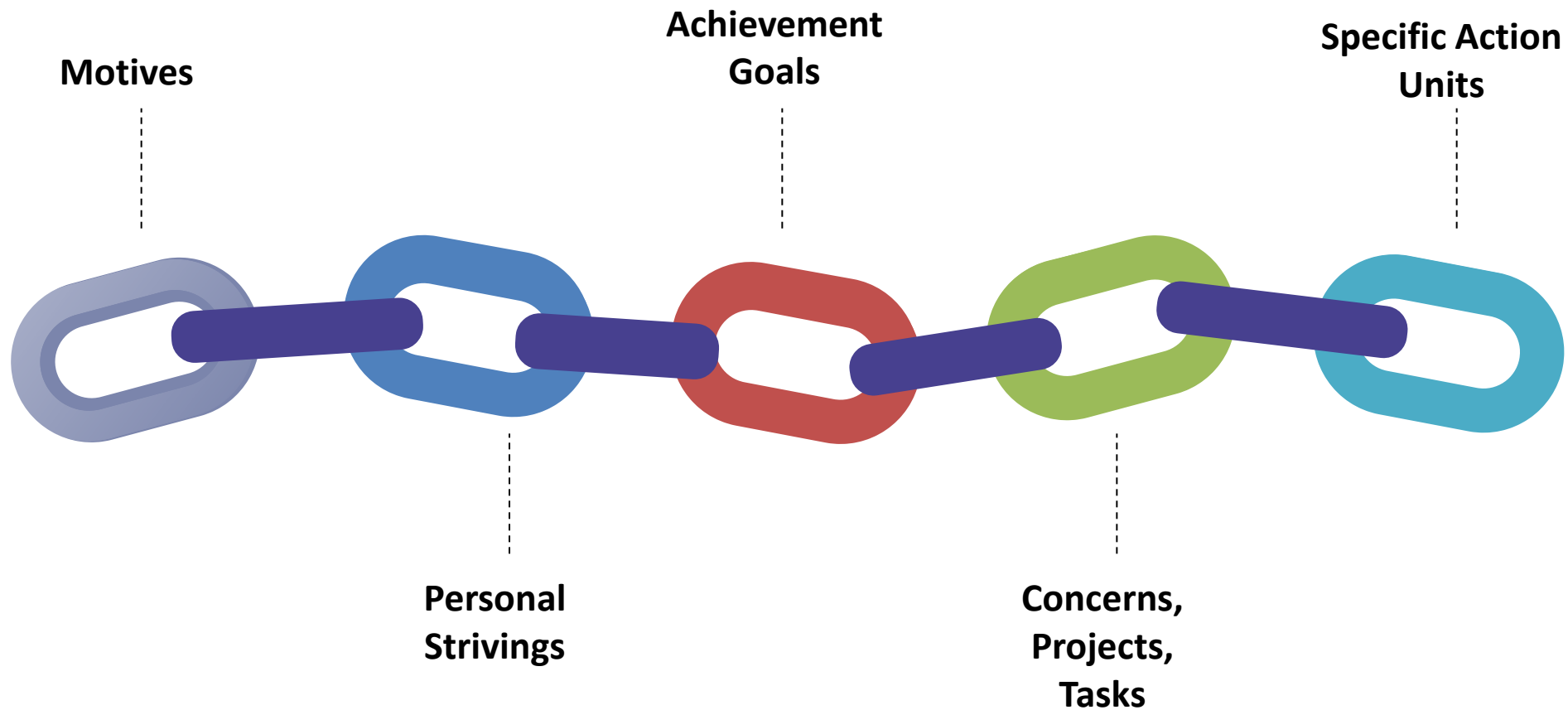Character is NOT included as a principle of goal setting.

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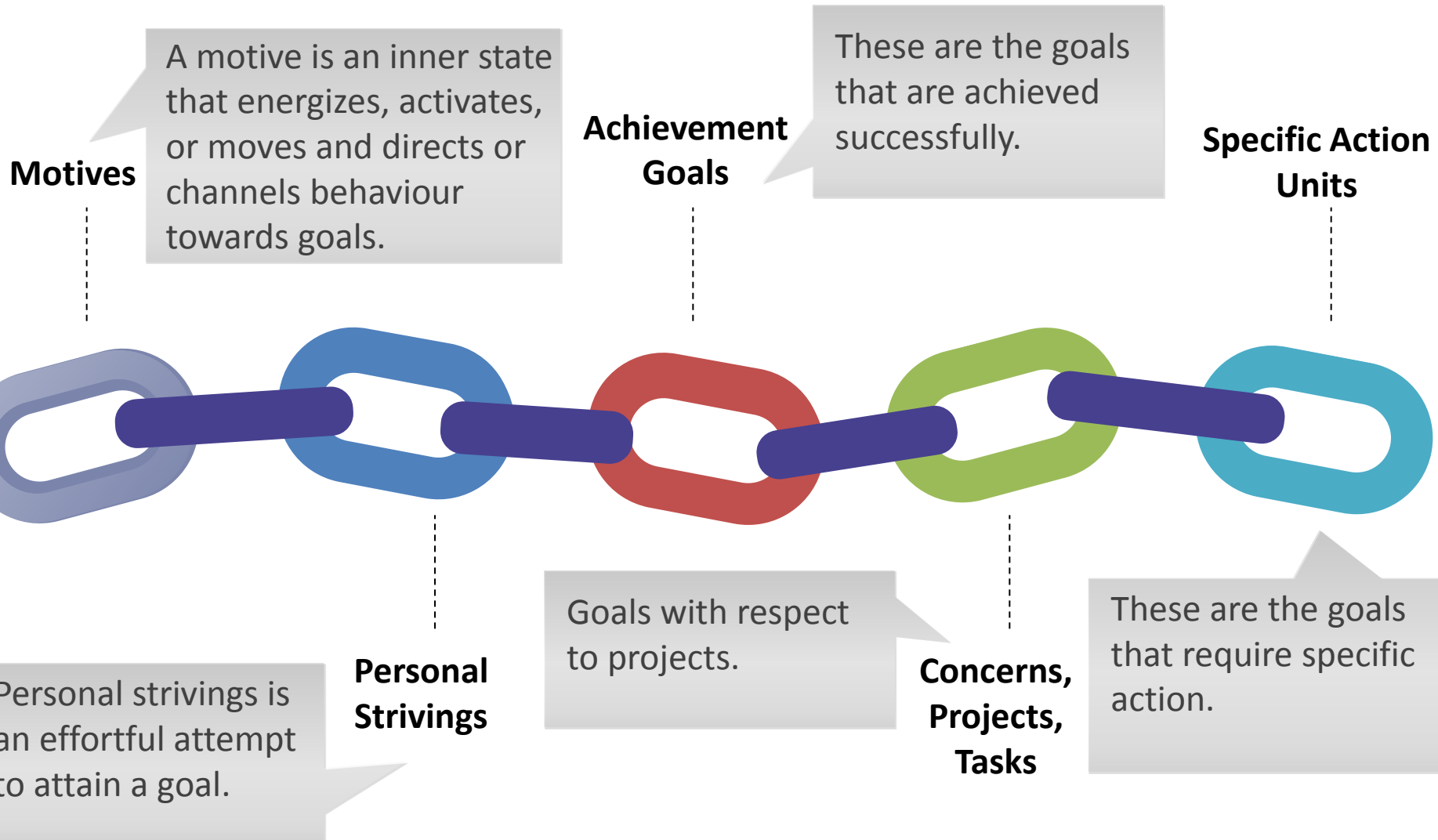- List the Hurdles to Reaching Your Goals

Hierarchy of Goals

Goals can be arranged in a certain hierarchical order. The following is the hierarchy of goals from lowest to highest:

Motives

Personal Strivings

Achievement Goals

Concerns, Projects, Tasks

Specific Action Units

Hierarchy of Goals

Goals can be arranged in a certain hierarchical order. The following is the hierarchy of goals from lowest to highest:

Motives

A motive is an inner state that energizes, activates, or moves and directs or channels behaviour towards goals.

Achievement Goals

These are the goals that are achieved successfully.

Specific Action Units

Personal strivings is an effortful attempt to attain a goal.

Personal Strivings

Goals with respect to projects.

Concerns, Projects, Tasks

These are the goals that require specific action.

Goals and Task Performance

The main purpose of any organization is to make sure that all the employees work towards their individual set goals in line with the company's vision.

For this purpose, it is crucial that the company should define well-defined and clear goals and work efforts for each employee.

Each employee should clearly know his goals and work effort. He should know, towards which goal or direction he is working each day.
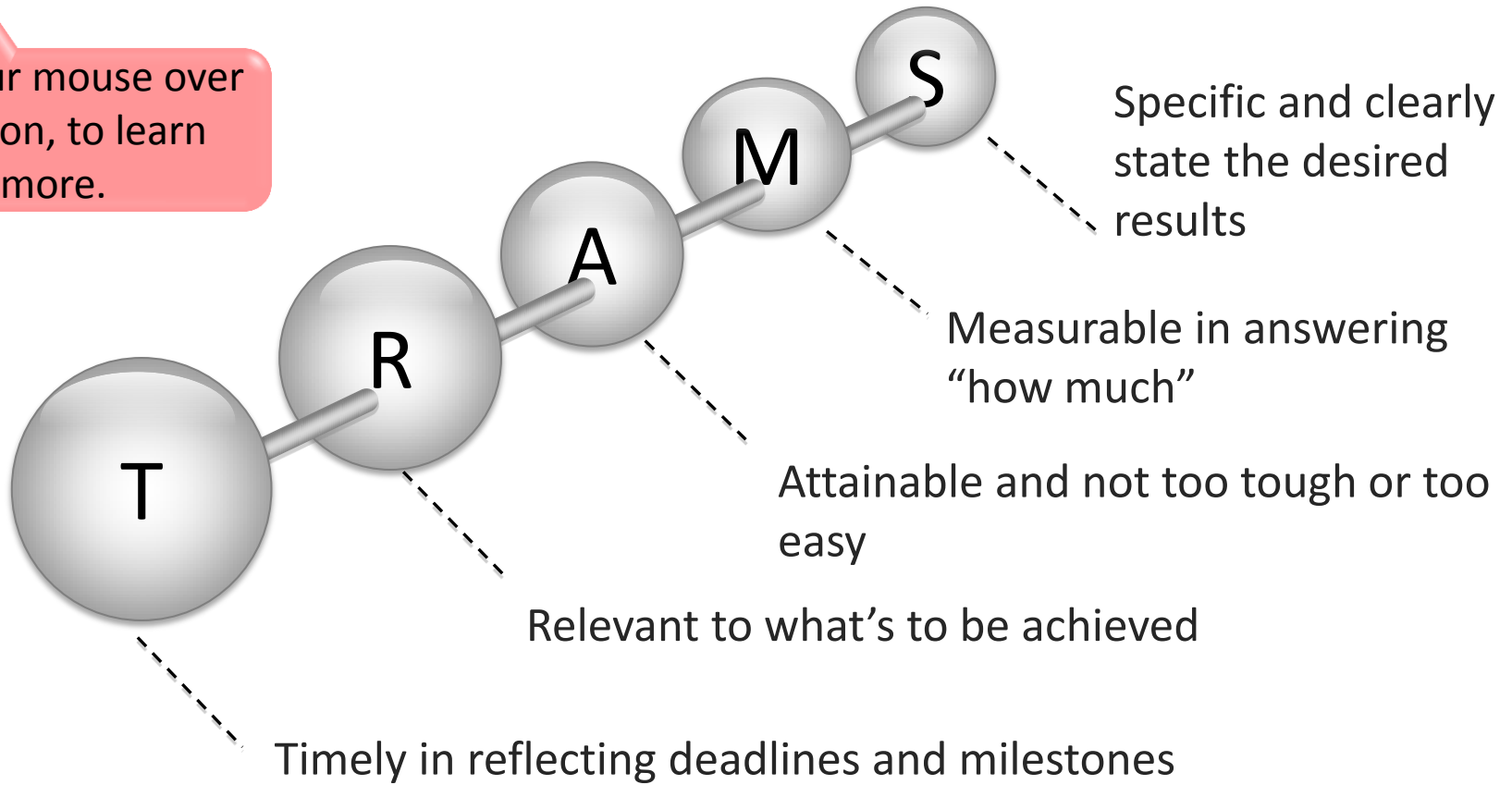
It is essential that the goals and task performance defined should be specific, measurable, challenging, practically feasible and encourages participation.

Defining Goals

The best defined goals are 'SMART' goals which are:

TIP ▶

Roll your mouse over the icon, to learn more.

S — Specific and clearly state the desired results

M — Measurable in answering "how much"

A — Attainable and not too tough or too easy

R — Relevant to what's to be achieved

T — Timely in reflecting deadlines and milestones

Tip

Goal Setting Theory is proposed on the premise that not all goals can increase motivation. A person should set 'SMART' or 'S – Specific, M – Measurable, A – Attainable, R – Realistic, T – Timely ' goals to get motivated.

Using Positive Affirmations for Achieving Goals

You can achieve all your goals, but not all goals at once.

You can achieve your goals, if it's important enough to you to achieve that goal.

You can reach all your goals, but you may not be the best at all the goals.

You can reach many of all your goals, but there will be limitations.

You can reach all your goals, but you'll need help.

Using Positive Affirmations for Achieving Goals

A positive mindset and affirmations can help you to reach your goals by lowering your stress levels, having confidence and always having a positive attitude as:

A positive thought is the seed of a positive result.

Whether a glass if half-full or half-empty, depends on the attitude of the person looking at it.

If you don't like something, change it. If you can't change it, change your attitude. Don't complain.

There is a better way for everything. Find it.

Using Positive Affirmations for Achieving Goals
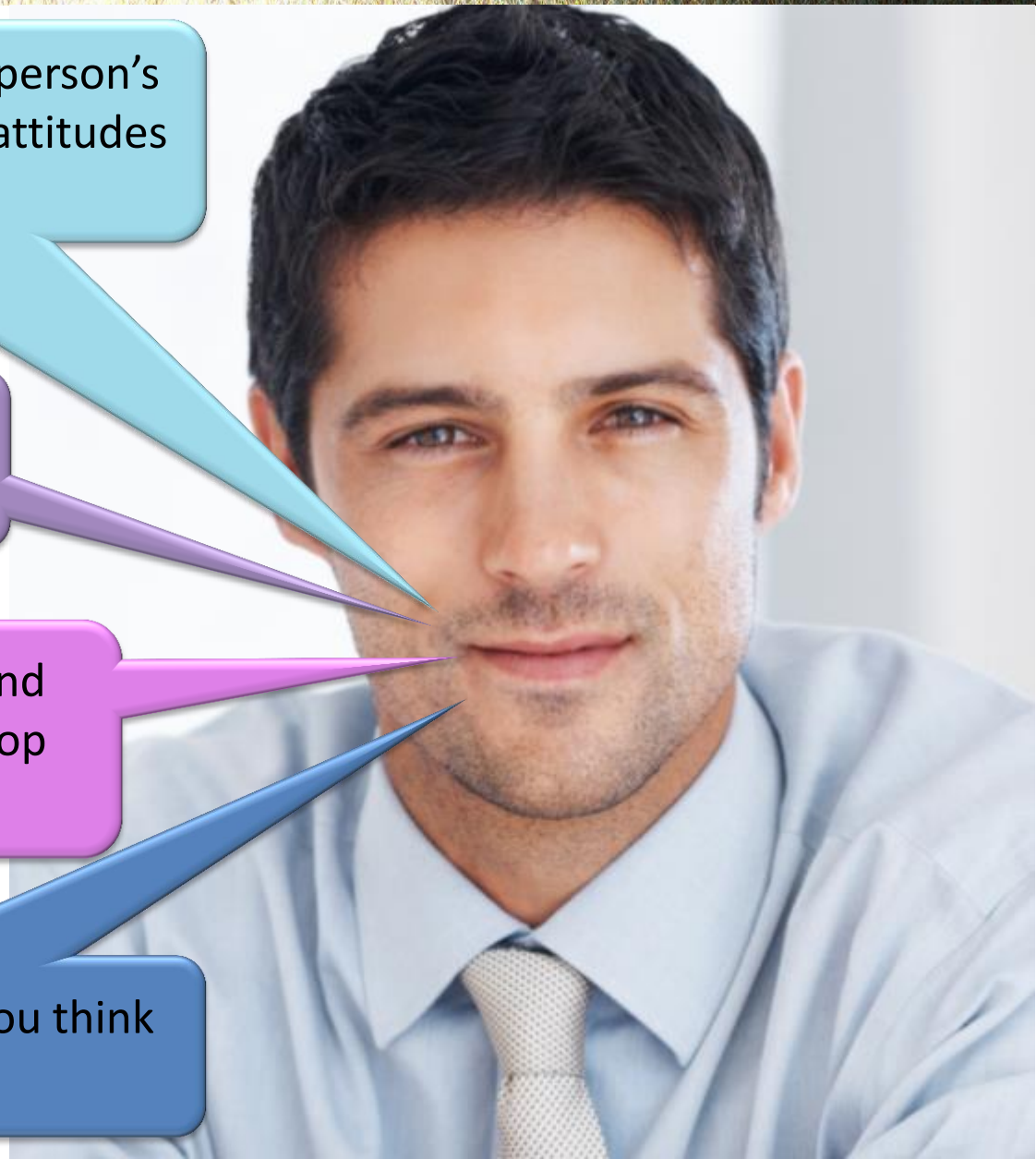
The man with confidence in himself gains the confidence of others.

The biggest mistake of all is to avoid situations in which you might make a mistake.

The difference between a successful person and others is not a lack of knowledge, but rather a lack of will.

A positive attitude is like a magnet for positive results.

Using Positive Affirmations for Achieving Goals

The positive thinker sees the invisible, feels the intangible, and achieves the impossible.

Our life is a reflection of our attitudes.

No man fails if he does his best.

Attitude, not aptitude, determines your altitude.

Using Visualization for Achieving Goals

Visualization is the process of creating detailed mental pictures of the behaviors you wish to carry out. You can use imagination to create these mental pictures. Imagination is the creative power of the mind.

A secret to success in achieving goals is to use your imagination to see yourself reaching that goal. While visualizing, it is imperative to focus on the positive. As you visualize, notice and dispute negative thoughts with positive affirmations.

You can use visualization to harness the power of the subconscious mind. Visualize yourself succeeding at reaching your goals and you will succeed.

Change and Goal Setting

When you set a goal for yourself, you should be ready for adapting to change that goal setting process brings into your life.

Accept that change is an attitude

Create a personal vision of reaching your goals

Focus on what you can do; not on what you can't do

Develop a perspective of opportunity

Create a willingness to learn and develop

Learn to love ambiguity

Fear of Failure of Reaching Your Goals

Examine your thoughts and feelings that might be holding you back to discover ways to overcome them.

Accept Your Fear

Realize that everyone, even highly successful people fear failure.

Fighting Your Fears

Expand Your Comfort Zone

Rethink Failure

Failure is a part of success. It doesn't matter how many times you have failed in the past. It only matters that you are willing to try again.

Move out of your comfort zone bit by bit—taking slow, small steps that are challenging towards your goals.

Fear of Success of Reaching Your Goals

There are some people who fear success as much as they fear failure.

Such people are under constant stress of both reaching their goals and achieving them or in fear of losing the success they have already achieved.

Overcoming Fear of Success

Such people have fear of success such as:

The more successful you are, the more people dislike you.

Everyone will think I'm stuck up.

I don't want to step all over people to get ahead.

Turn that fear around and imagine how your success might inspire others.

Build a support network of people who appreciate and love you for who you are.

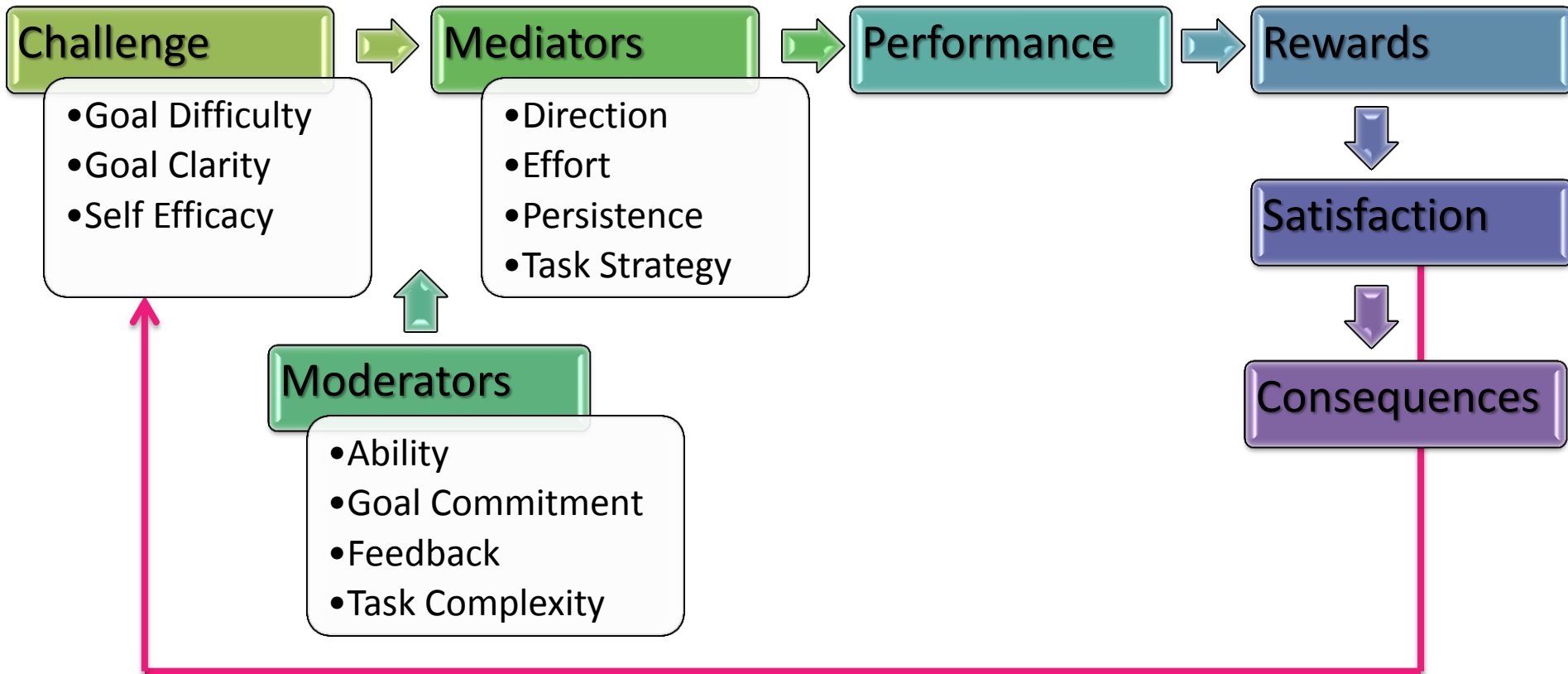True success does not require exploiting others.

Objective

- Explain What is Motivation

- Explain the Theories of Motivation

- Explain What is Goal Setting Theory of Motivation

- Describe the Need for Goal Setting in Organizations

- Explain the Features of Goal Setting Theory

- Explain the Types of Goals

- Explain the Principles of Goal Setting

- Describe the Hierarchy of Goals

- Explain the Locke-Latham Goal Setting Model

- Explain the Steps of Goal Setting

- Explain the Relation between Goal Difficulty and Performance

- Explain the Role of Feedback in Goal Setting

- Explain the Role of Manager's Influence in Goal Setting Success

- Explain the Principles of Motivation for Effective Goal Setting

- List the Hurdles to Reaching Your Goals

Locke-Latham Goal Setting Model

The image on next screen shows the 'Locke-Latham Goal Setting Model'. The basic premise of this model is that a goal serves as a motivator. So, when a person sets a goal, the person tends to compare his present performance with that required to achieve the goal. If the person believes that he will fall short of a goal, he would feel dissatisfied and work harder to attain the goal as long as he believes that the goal can be achieved.

Locke-Latham Goal Setting Model

Challenge
- Goal Difficulty
- Goal Clarity
- Self Efficacy

Mediators
- Direction
- Effort
- Persistence
- Task Strategy

Performance

Rewards

Satisfaction

Consequences

Moderators
- Ability
- Goal Commitment
- Feedback
- Task Complexity

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Steps of Goal Setting

The following are the steps that you should follow for goal setting:

Step - 5 — Break goals into sub-goals

Step - 4 — Define your goals clearly and specifically

Step - 3 — Write down the goals on paper

Step - 2 — Write down reasons for the goals

Step - 1 — Identify what you really want to achieve

Steps of Goal Setting

The following are the steps that you should follow for goal setting:

Step - 10 — Make positive affirmations and visualize your success

Step - 9 — Track and review your progress

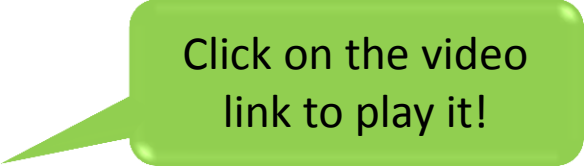**Step - 8** — Take action to achieve your set goals

Step - 7 — Plan the strategy for achieving the goals

Step - 6 — Mention deadlines for your goals

Video

Look at the video given below to understand the common mistakes of goal setting.

Click on the video link to play it!

http://www.youtube.com/watch?v=qpmUYa1f_5Q

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The image on next screen shows the relation between the level of 'goal difficulty' and 'performance'.

You can understand from the image that there is an 'Area of Optimal Goal Difficulty' that will help you achieve the highest employee task performance.

It is important that you set goals that fall in this 'Area of Optimal Goal Difficulty' because if the goals are less or moderately difficult, it does not motivate the employee as the person does not find the goal challenging enough.
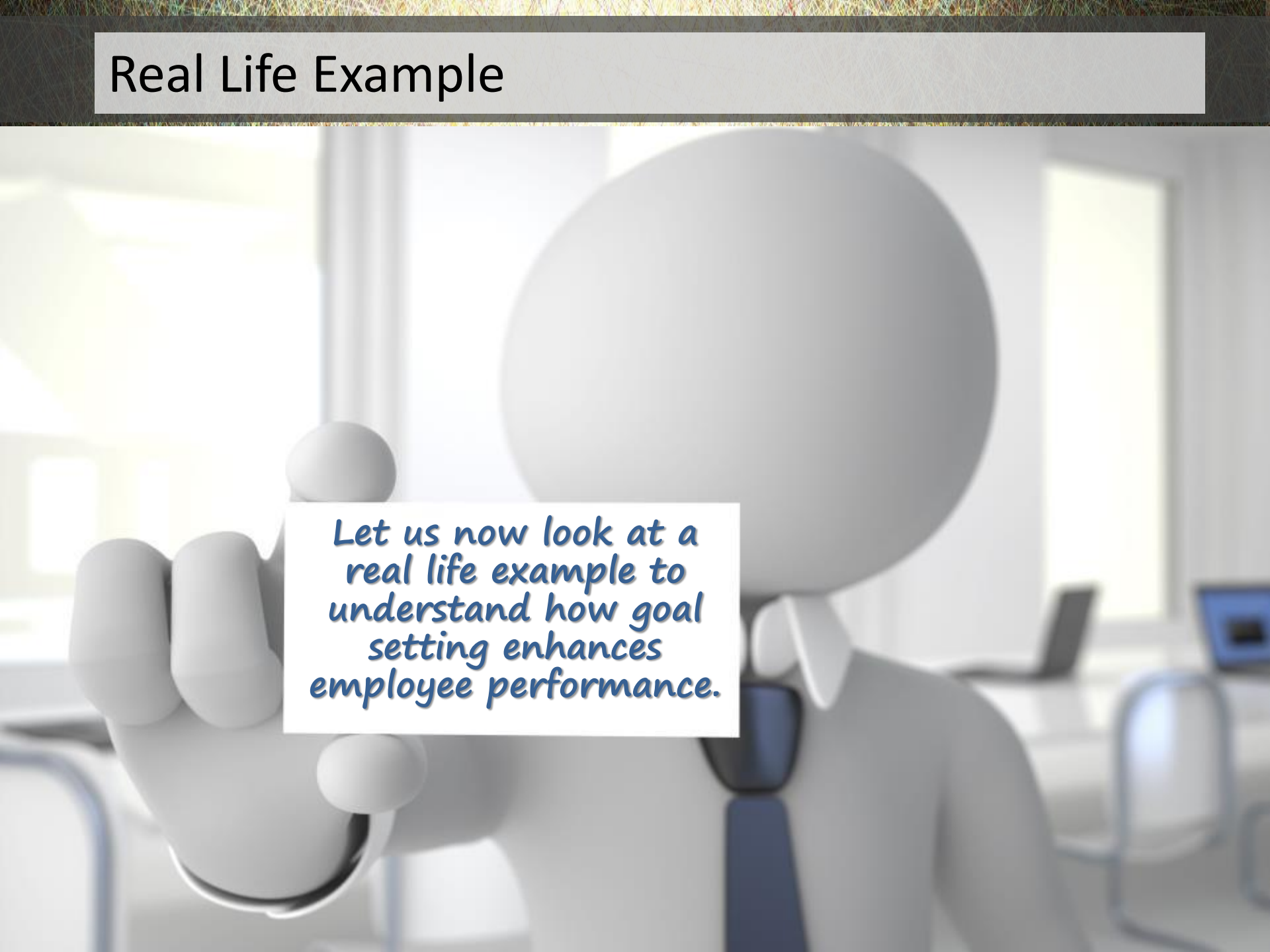
On the other hand, if the goals are impossibly difficult, it fails to motivate the employee as the person finds the goal extremely difficult and challenging.

Real Life Example
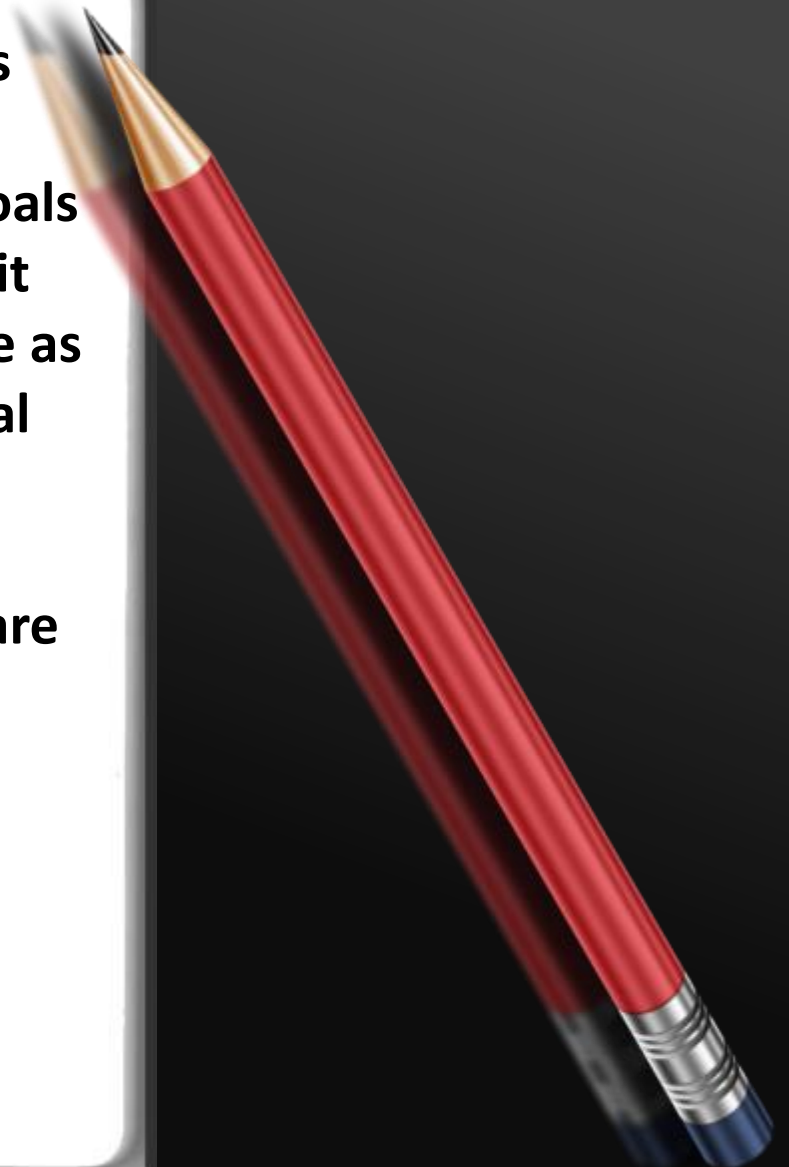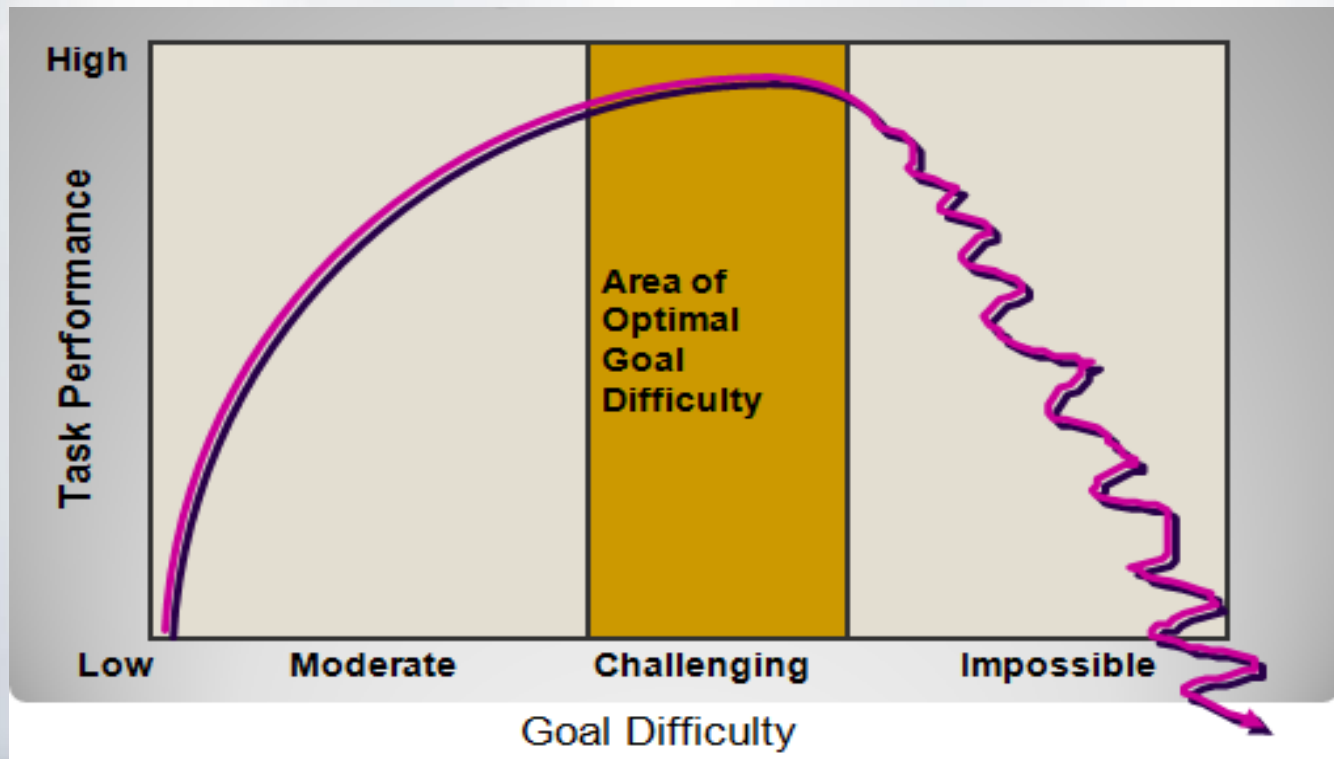
Let us now look at a real life example to understand how goal setting enhances employee performance.

Real Life Example

- **Hasso Plattner is a German businessman. He was born in Berlin, Germany.**

- **Plattner is the Co-founder the German software firm SAP AG.**

- **He has also served as Chairman of the Supervisory Board of SAP AG since May 2003.**

Real Life Example

- **SAP AG has its headquarters in Walldorf, Germany.**

- **It has its offices located in more than 130 countries.**

- **SAP AG is a leading provider of enterprise software and software-related services.**

Real Life Example

- **Hasso Plattner has effectively used the 'Goal Setting Theory' to motivate his employees.**

- **Plattner always motivates his employees by setting stretch or challenging goals.**

Real Life Example

- **Platter once had set a shockingly optimistic goal of 15 % annual growth for SAP software license revenues.**

- **It was a highly challenging goal and difficult to achieve. However, motivated by this challenging goal, the employees responded by achieving an even higher growth of 18% annual growth for SAP software license revenues.**
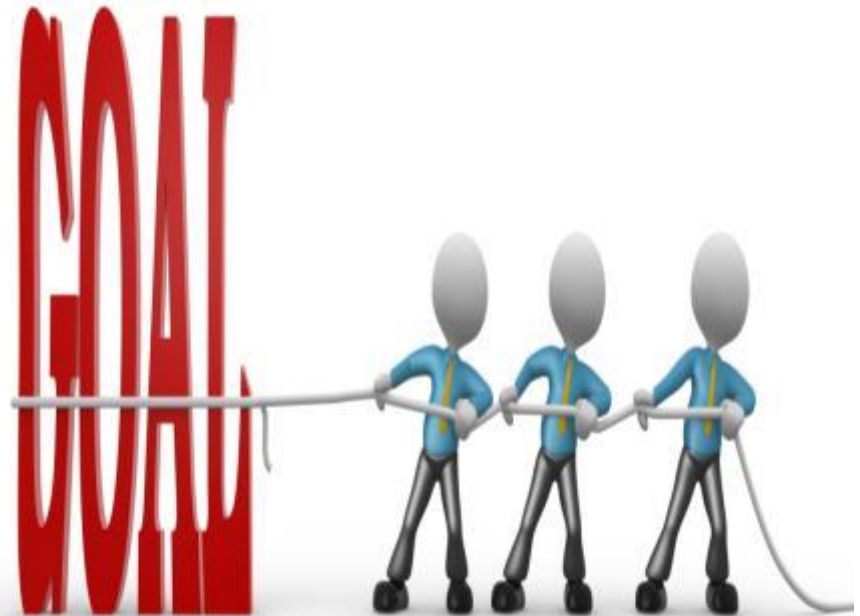
Real Life Example

- **At yet another time, Plattner set another stretch or challenging goal. He announced a bonus plan that would pay $381 million to hundreds of managers and key employees.**

- **This bonus would be paid out to the employees if they could successfully double the company's market capitalization from a starting point of $57 billion by the end of 2010.**

Bonus

Real Life Example

- **Just as proposed by the 'Goal Setting Theory', employees are highly motivated by such challenging goals.**

- **So, employees responded again by increasing the market capital double within the given time.**

Real Life Example

- **Hence, you can understand that Hasso Plattner has effectively used goal setting to motivate his employees by stretching higher challenging goals.**

- **Plattner has used goal setting to not only motivate employees but also improve performance that has injected entrepreneurial energy into a 35 years old company.**

- **Therefore, you can see that entrepreneurs can use the 'Goal Setting Theory of Motivation' for employee motivation because goals along with appropriate feedback contribute to higher and better task performance.**

- **This is because goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.**

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Goal Setting and Feedback

Feedback is an essential part of any goal setting process.
It is at this stage that the manager and the subordinate review the actions taken to achieve the goal and make plans to correct any deficiencies, reinforce strengths and improve performance towards goals.

In order to prepare for the feedback session, it is essential that the subordinate is given at least a week's notice to review his work, to read over his set goals, analyze problems and compile questions and comments.

Goal Setting and Feedback

Depending upon the type of performance of the employee, there are three types of feedback scenario that can arise such as:

Performance towards achievement of goals is satisfactory; no change of strategy is required

Performance towards achievement of goals is unsatisfactory, but incorrigible; the set goals need to be reviewed and set again

Performance towards achievement of goals is unsatisfactory, but correctable; change of strategy is required

Goal Setting and Feedback

There are a few key points that a manager should keep in mind for conducting a feedback session, such as:

He should be direct and specific.

He should never get personal.

He should encourage the employee to talk as well.

He should develop an action plan from the information gathered.

Goal Setting and Feedback

There are certain cases, where an employee may be highly resentful of their feedback results. This would amount to such an employee being highly defensive during the feedback session.

The following are a few things that a manager should keep in mind while handling a defensive employee:

- He should recognize that defensive behaviour is normal.

- He should never attack a person's defences.

- He should understand the need to postpone action.

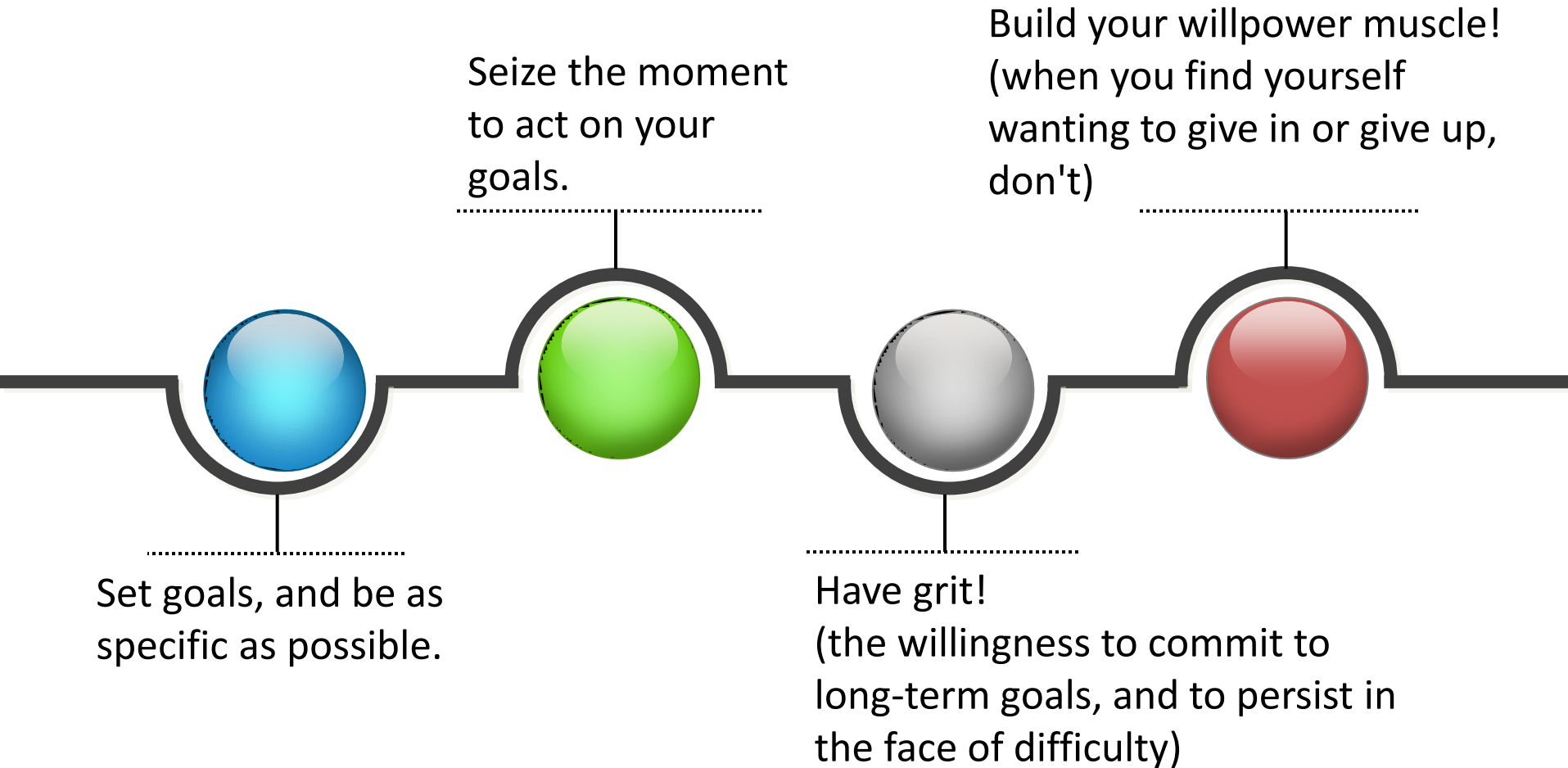- He should empathize and understand human limitations.

TIP

Roll your mouse over the icon, to learn more.

Tip

You can use goals to increase the productivity of your employees under the following conditions:

- People should choose goals for which they have the capability and skills to reach that goal.
- For new employees, performance measurement should be done in terms of 'learning outcomes' achieved.
- In cases where the stretch goals are very far away, you should set sub-goals in between.

Things Successful People Do Differently

Seize the moment to act on your goals.

Build your willpower muscle! (when you find yourself wanting to give in or give up, don't)

Set goals, and be as specific as possible.

Have grit!
(the willingness to commit to long-term goals, and to persist in the face of difficulty)

Personal Affirmations for Reaching Goals

Now, 'Live Your Affirmation' by:

- **Realize that you already possess the qualities you desire to reach your goals.**
- **Give power to your affirmation by repeating it over and over until it becomes as familiar to you as your name.**
- **Say your affirmation while looking at yourself in the mirror.**
- **Be vigilant about other words you use to describe yourself.**
- **Use your affirmation when your goals test you.**
- **Record your affirmation on a loop tape.**

Personal Affirmations for Reaching Goals

Write down a list of the characteristics that you will need to display in order reach your goals. They can be:

- Hard-working
- Discipline
- Determination
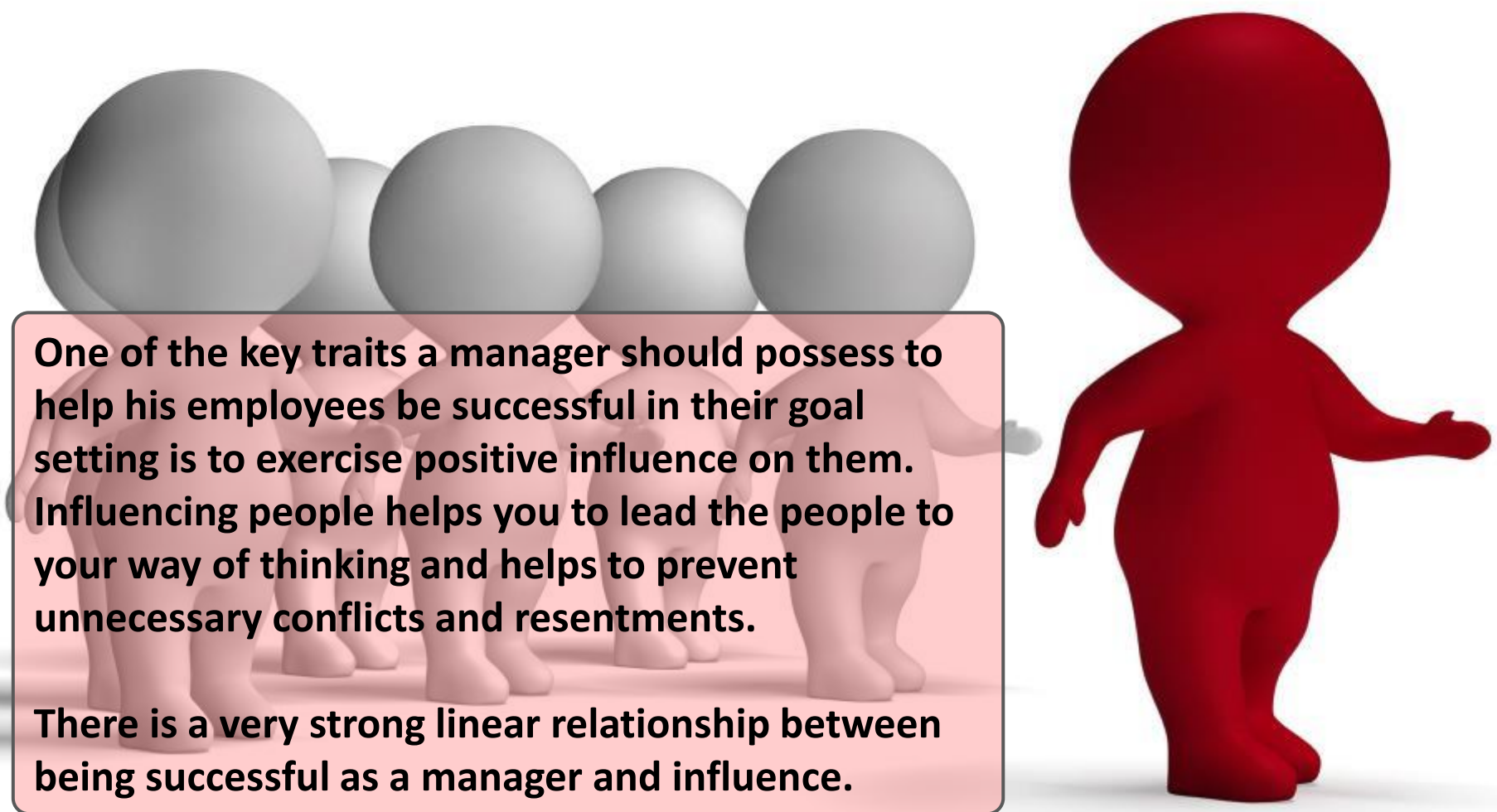- Inquisitiveness
- Innovative
- Taking Initiatives

Claim these characteristics by stating each of them for yourself in the affirmative.

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Role of Manager for Successful Goal Setting

One of the key traits a manager should possess to help his employees be successful in their goal setting is to exercise positive influence on them. Influencing people helps you to lead the people to your way of thinking and helps to prevent unnecessary conflicts and resentments.

There is a very strong linear relationship between being successful as a manager and influence.

Manager's Influence and Goal Setting Success

As per a scientific study carried out on several people, it has been found that, when a manager learns to influence his employees and learns how to help them reach their goals, then:

A manager can help his employees reach their goals and can achieve an 85% success rate in goal setting by positively influencing his employees.

A manager can help his employees reach their goals and can help his employees achieve 99% professional happiness by positively influencing his employees.

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Principles of Motivation for Effective Goal Setting

Managers should be aware of the principles of motivation for effective goal setting. The following are the key principles of motivating people in goal setting process:

Let's look at each in detail.

Commitment and Consistency

Commitment and Consistency:

- Until a person is committed, there is hesitancy, the chance to draw back and always ineffectiveness.

- Also, consistency is important because repetition of the same thought or physical action develops into a habit which, repeated frequently enough, becomes an automatic reflex.

Commitment and Consistency

Commitment & Consistency

Social Proof

Liking

Au...

Commitment and Consistency:

Until a person is committed,
...chance to
...

...portant
...f the same
...action
...t which,
...y enough,
...atic reflex.

- The commitment and consistency rule states that once we make a decision, we will experience pressure from others and ourselves to behave consistently with that decision.
- As per this principle, a person can be pressured into making either good or bad decisions depending on his commitment and consistency of behavior.

Reciprocation

Reciprocation:

- Reciprocation is important in order to motivate others because when you give yourself, you receive more than you give.
- This is because trying to get without first giving is as fruitless as trying to reap without having sown.
- When the manager first presents the other person with an initial favor or initial concession, the manager will have enlisted a powerful ally in the campaign for compliance.

Commitment & Consistency

Social Proof

Reciprocation

Liking

Scarcity

Authority

Reciprocation

Commitment & Consistency

Social Proof

Liking

Au...

Reciprocation:

- Reciprocation is important in order to influence others ... you give yourself, ... you give. ... to get ... as fruitless ... out having

... first ... person with ... itial ...uester will ...verful ally in ...ompliance.
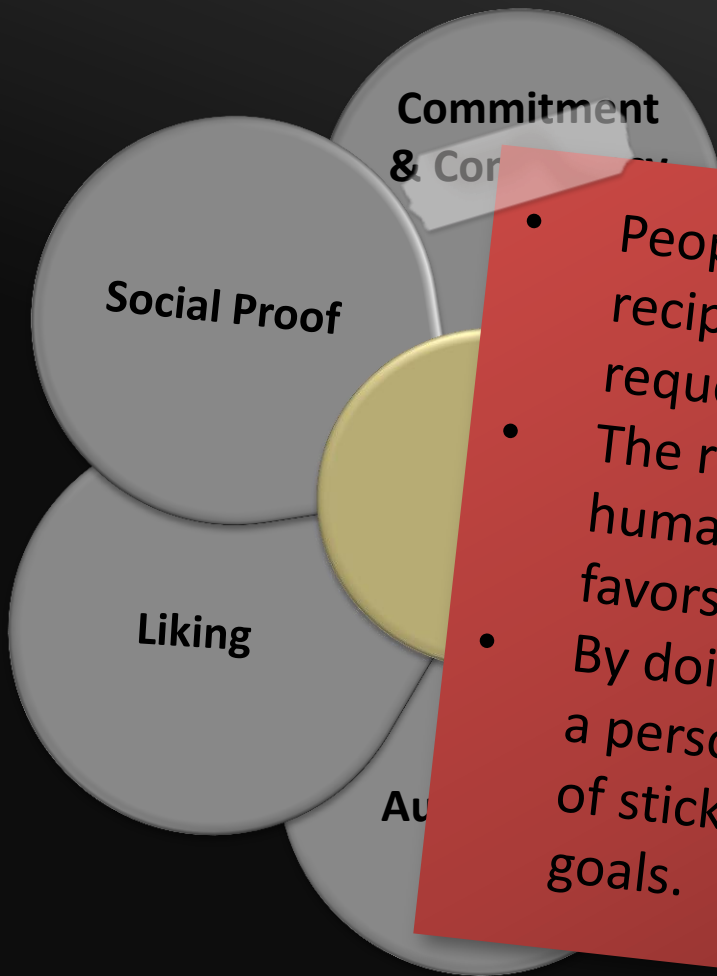
- People generally succumb to the reciprocity rule and comply with the requester's wish.
- The rule of reciprocation states that humans have an inherent desire to return favors.
- By doing a favor a manager can motivate a person to return the favor in the form of sticking and working towards his set goals.

Scarcity

Commitment & Consistency

Social Proof

Reciprocation

Liking

Scarcity

Authority

Scarcity:

- The principle of scarcity states that we are more easily motivated when the resource is limited.
- The primary reason scarcity is so effective for motivating employees is that generally we are more motivated by loss than gain.
- Scarcity implies rarity, high quality, and high demand, all motivations that increase our demand for the resource.

Scarcity

Social Proof

Commitment & Consistency

Liking

Au...

Scarcity:

- The principle of scarcity states that we are more easily ...esource is ...carcity is ...ncing ...lly we are ...oss than ...ty, high ...mand, all ...ease our ...source.

- You can adapt the same scarcity principle in everyday conversations for influencing people.
- Tell the person there is "limited time", "a rare opportunity", or "challenging goal".
- Scarcity phrases appeal to both the left and right brain functions because they are verbal and mathematical numbers (left brain) but also contextual and focus on the future (right brain).

Authority
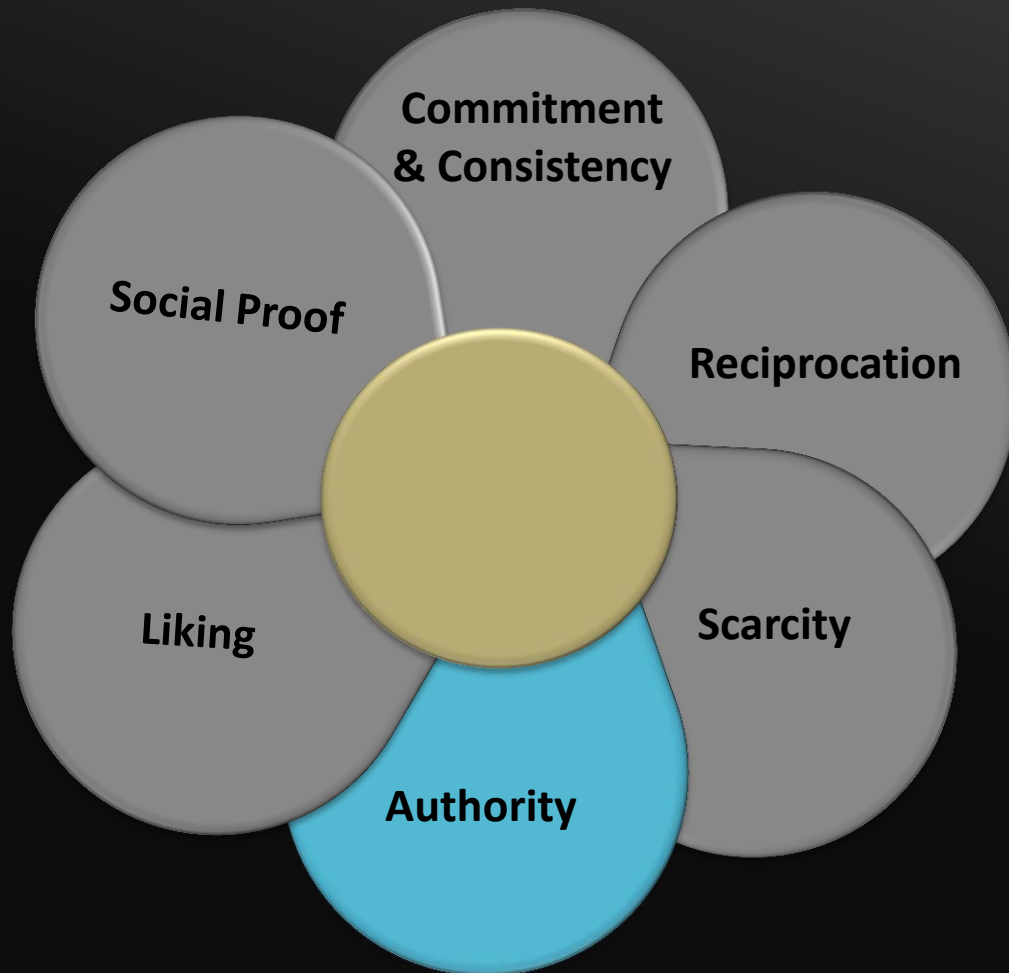
Authority:

- Authority plays a major role in motivating employees.
- However, you should remember that you don't have to hold a position in order to be a leader.
- The principle of authority states that we are more easily motivated by those with authority.
- There are symbols of authority you can use to increase your authority and motivating power.

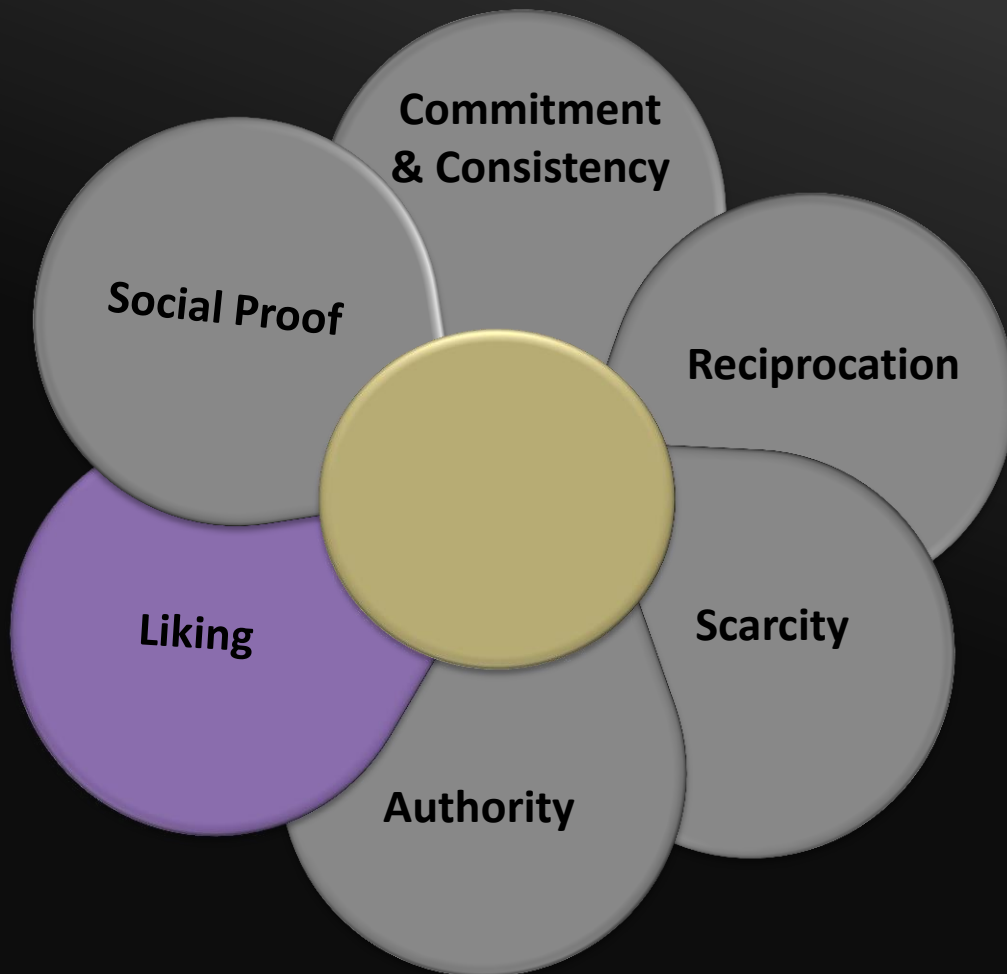# Authority

Commitment & Co...

Social Proof

Liking

Au...

Authority:

- Authority plays a major role in ... ... remember ... to hold a ... a leader. ...ority states ...sily ... with

- ...of authority ...ease your ...ential power.

- The three typical symbols of authority are title, clothing, and perceivable wealth. Title can be the occupation's prefix like "doctor" and "professor".

- The second symbol of authority is clothing which consists of all the clothing a person wears.

- Lastly, perceivable wealth can consist of the respective person's house, jewellery, business, and any other wealth the person being influenced can see.

Liking

Liking:

- An important principle of motivating people is when the leadership comes through respect and a large part of respect comes from liking someone.
- This is because each man is led by his own liking.
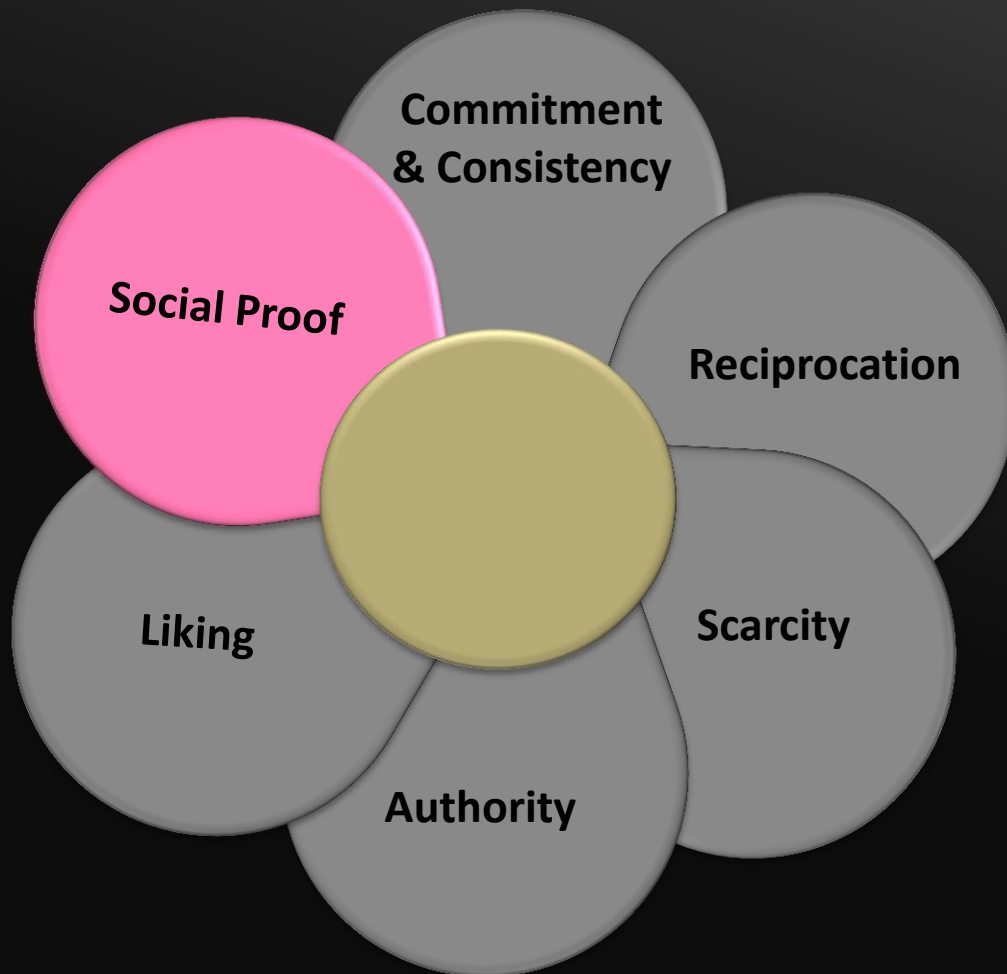- The principle of liking says that people will say "yes" more often to those they like.

Liking

Liking:

An important principle of ... that ... ough ... art of ... iking

... man is led ... g says that ... " more ... like.

- If there was a situation of choosing who would likely follow your request between a complete stranger versus a friend, you can be very confident in knowing your friend is more likely to comply with your request than the stranger.
- There are six principles of liking: physical attractiveness, familiarity, compliments, association, cooperation, and similarity.

Commitment & Consistency

Social Proof

Liking

Au...

Social Proof

Social Proof:

- You should remember that men are like sheep, of which a flock is more easily driven than a single one.

- The sixth principle of motivation, social proof, states that people look to others and follow what they are doing.

Social Proof

Commitment & Consistency

Social Proof

Liking

Authority

Social Proof:

...ber that men ...which a flock ...en than a

- Hence, in order to motivate people, it is better to create an impression and motivate a mass of people, which leads the other people to follow you and be motivated automatically.

...e of influence, ...es that people ...ook to ...d follow what they are doing.

Characteristics of a Motivated Person

The following are the characteristics or traits of a motivated person:

- Knows who he is and his beliefs
- Comfortable with himself
- Views learning and experience as an ongoing process
- Empowered
- Confident
- Insightful
- Valuable
- High Self-esteem
- Independent

Characteristics of a Motivated Person

The following are the characteristics or traits of a motivated person:

- Strongly motivated
- Sense of humility and respect towards others
- Strong ethics
- Creative
- Superior perception of reality
- Increased spontaneity
- Increased detachment and desire for privacy
- Higher frequency of peak experiences

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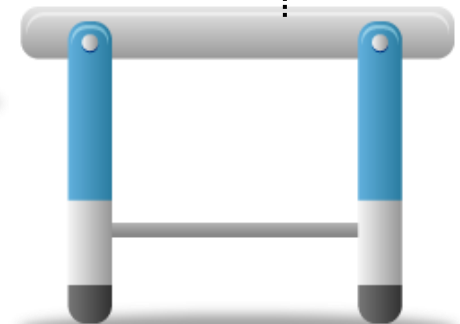
Hurdles to Reaching Your Goals

External Environment
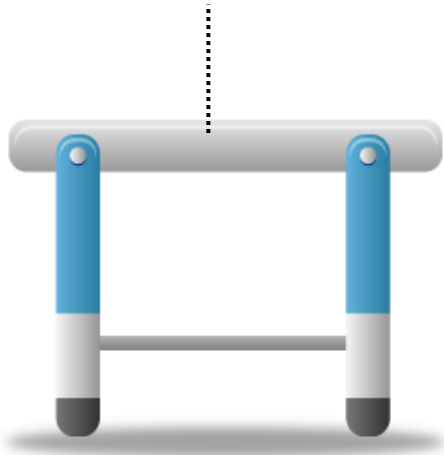
Understanding of Self
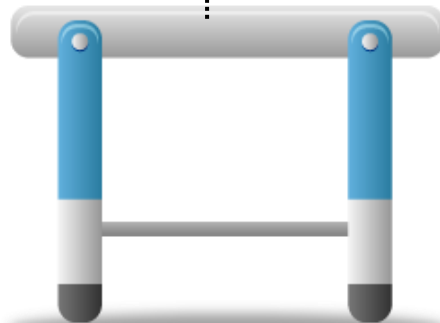
Perception of Others
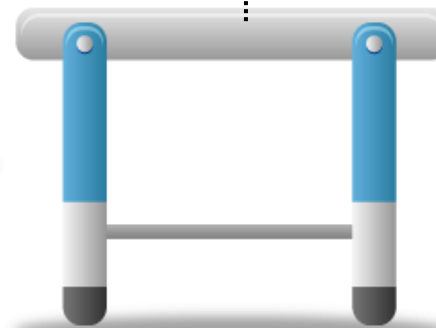
Your Own Ego State

Did you know?

Roll your mouse over the icon, to learn more.
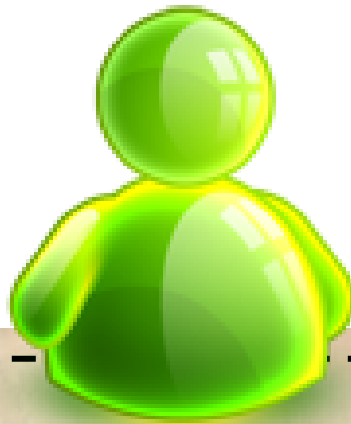
Did You Know?

When employees set 'SMART' goals, such goals help to increase persistence, passion, and productivity of employees.

Advantages of Goal Setting Theory

The following are some of the advantages of the goal setting theory:

Goal setting theory is a technique used to raise incentives for employees to complete work quickly and effectively.

Goal setting leads to better performance due to increase in employee motivation and efforts.

Goal setting leads to better performance due to increase in and improvement of the feedback quality.

Limitations of Goal Setting Theory

The following are some of the limitations of the goal setting theory:

At times, the organizational goals are in conflict with the managerial goals. Goal conflict has a detrimental effect on the performance if it motivates incompatible action drift.

If the employee lacks skills and competencies to perform actions essential for goal, then the goal-setting can fail and lead to undermining of performance.
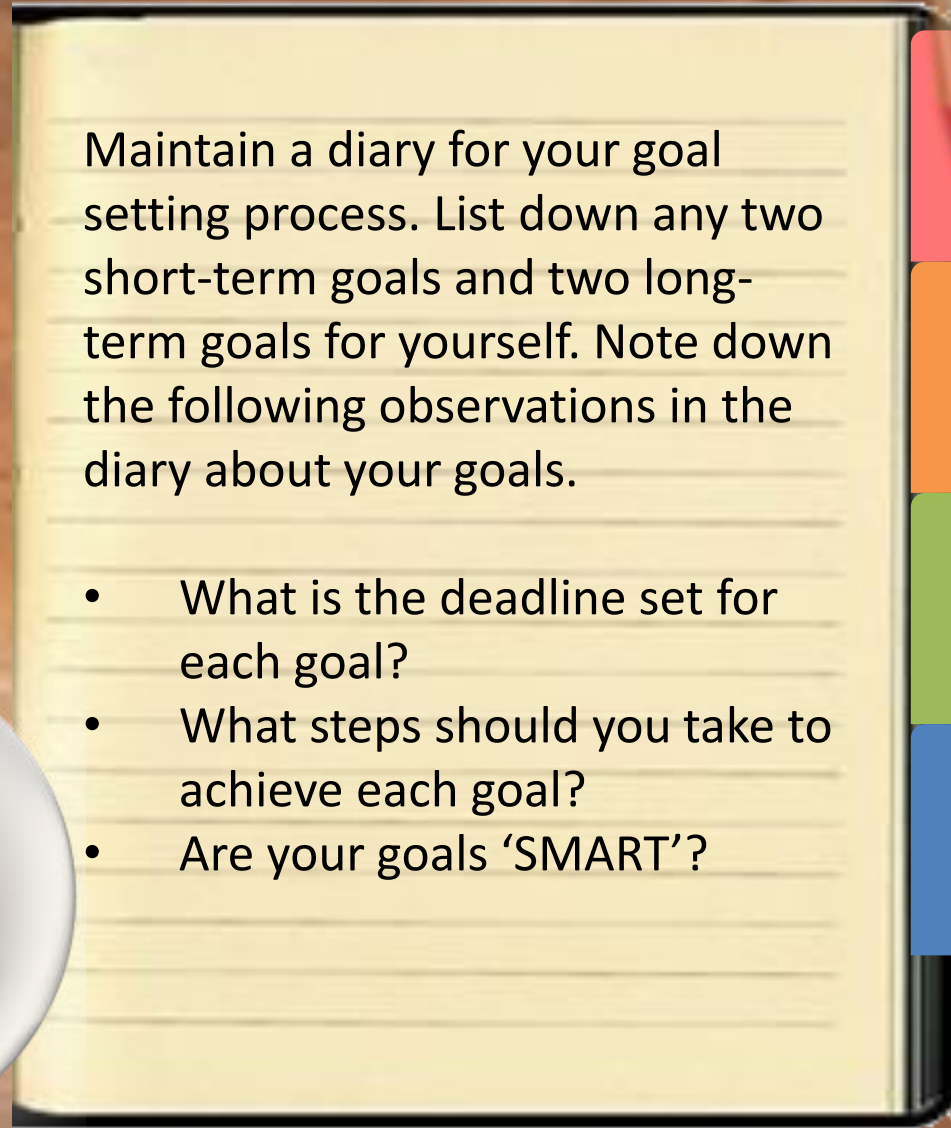
Very difficult and complex goals stimulate riskier behavior.

There is no evidence to prove that goal-setting improves job satisfaction.

Let us now practice all that you have learned about Goal Setting Theory of Motivation.

Practice

Maintain a diary for your goal setting process. List down any two short-term goals and two long-term goals for yourself. Note down the following observations in the diary about your goals.

- What is the deadline set for each goal?
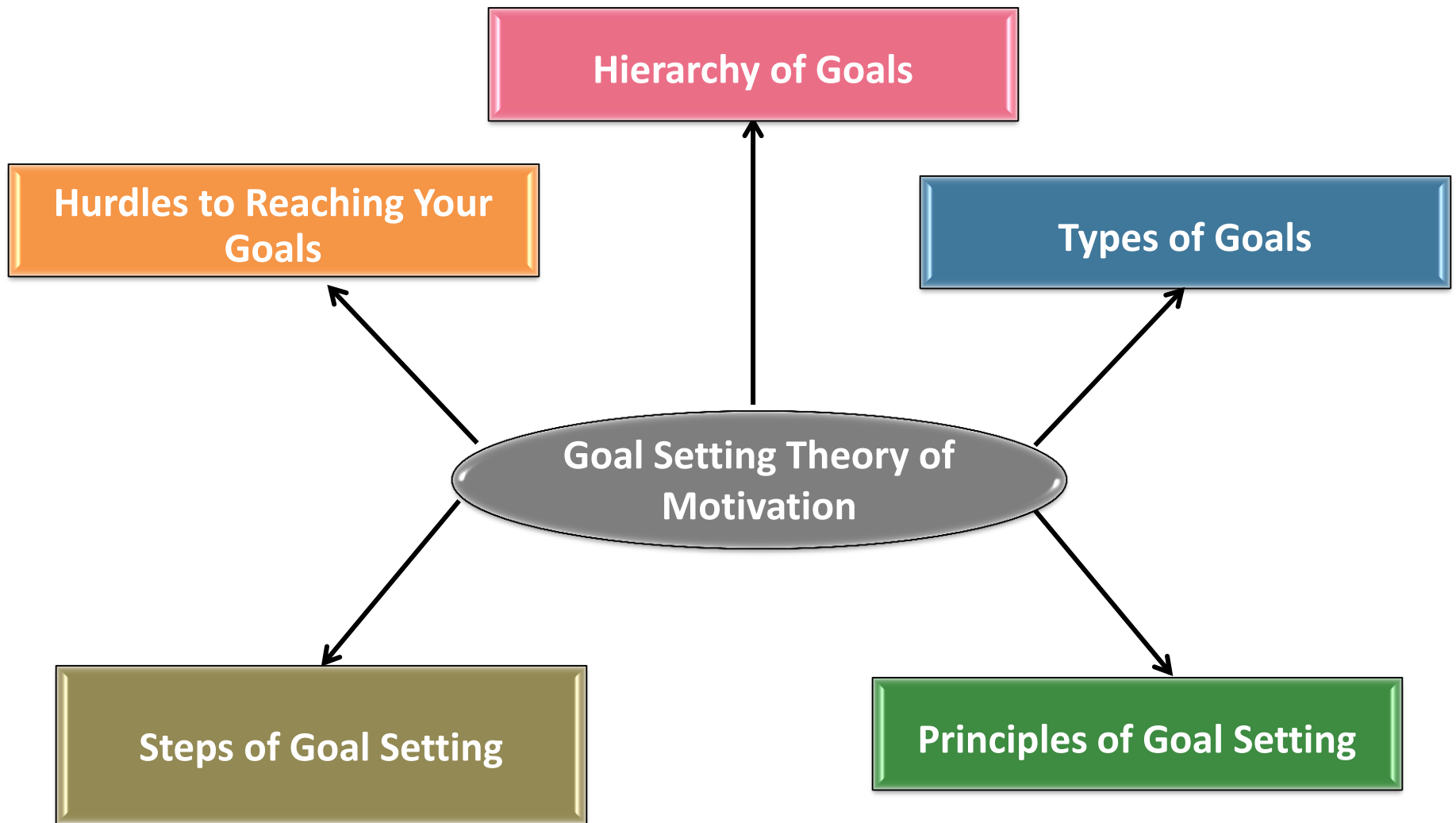- What steps should you take to achieve each goal?
- Are your goals 'SMART'?

Case Study

Neil Jackson is a Project Manager at Helios Inc. He wants to get promoted to the position of Head of Operations.
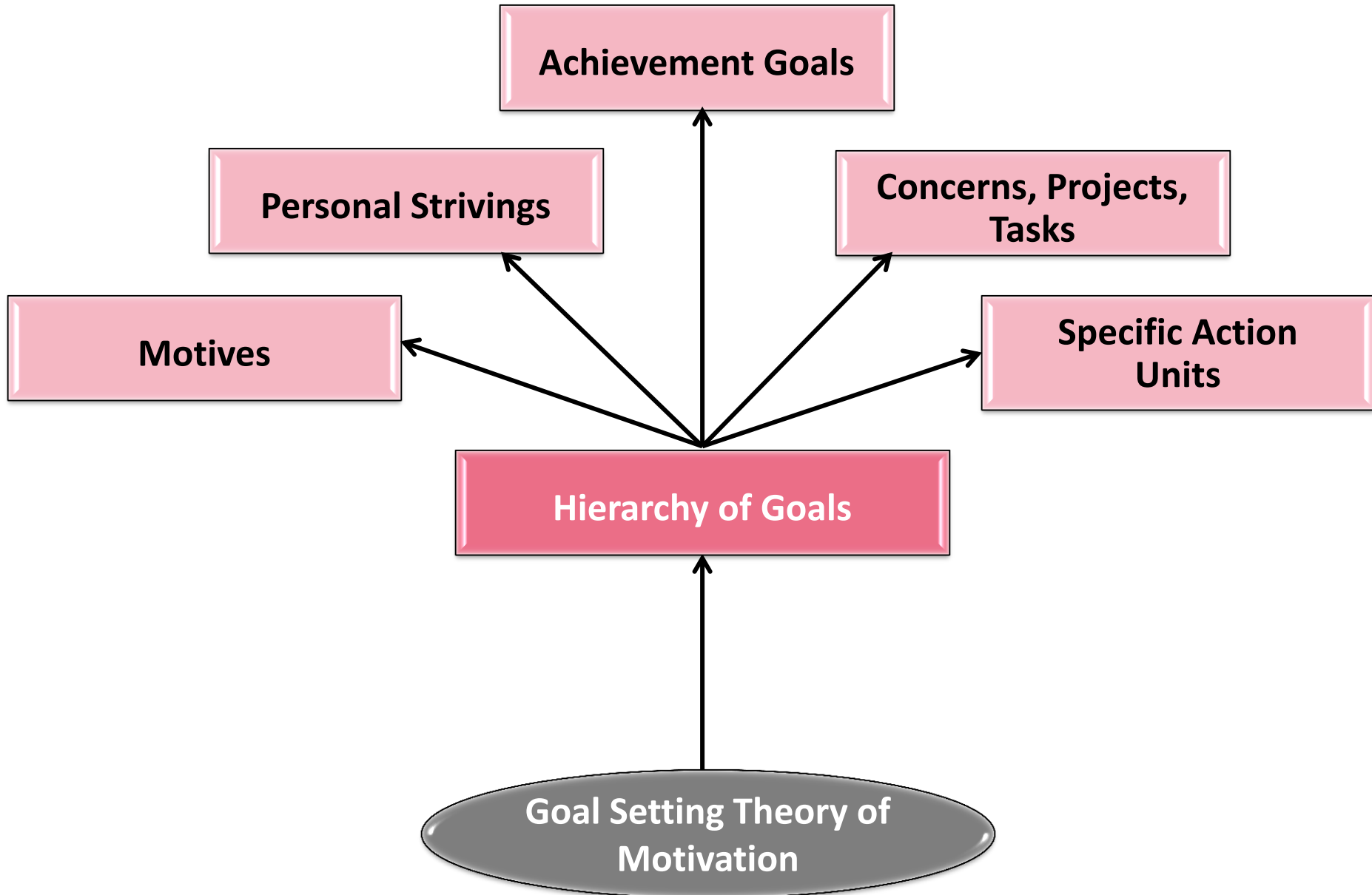
1. What type of goal has Neil set for himself?

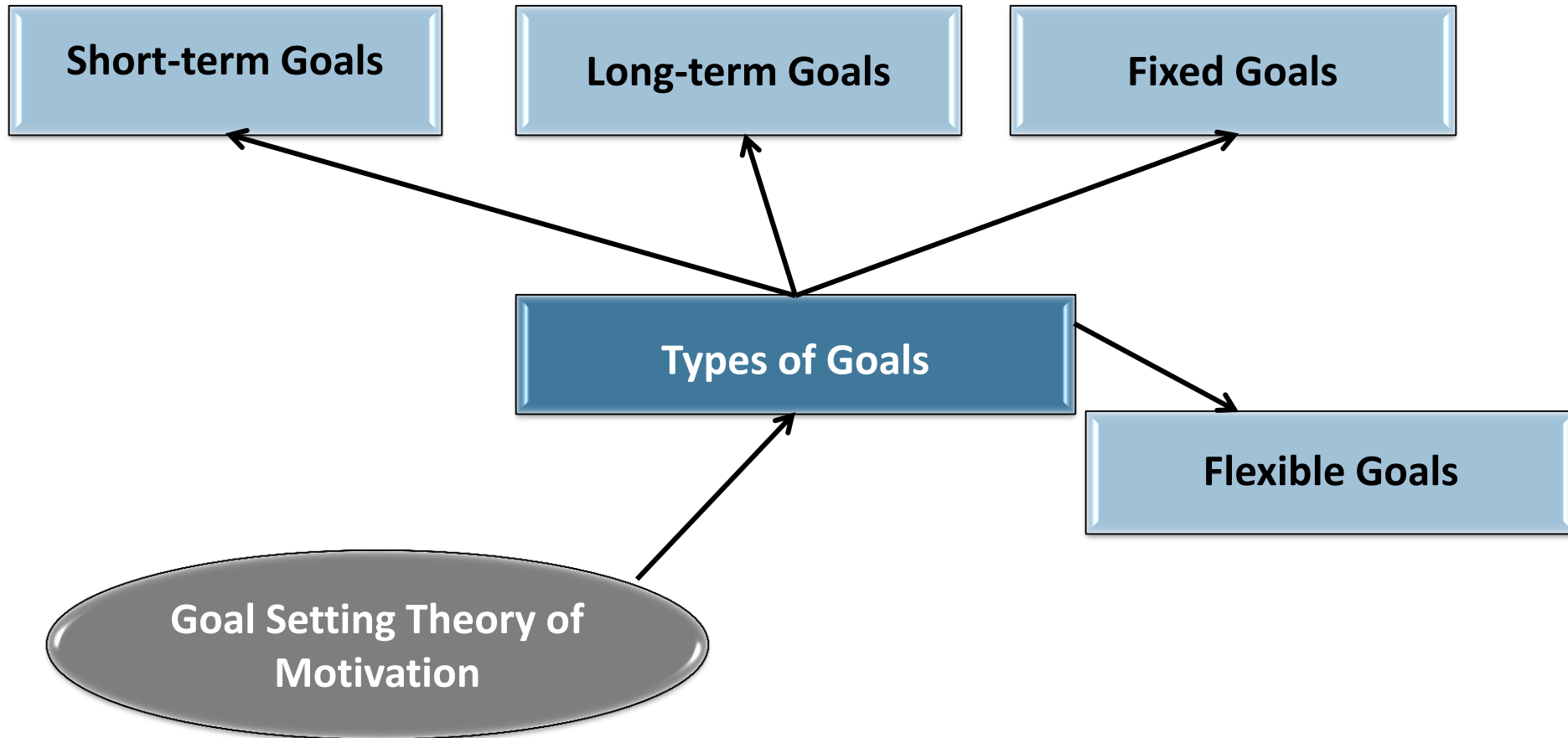2. What steps should Neil take to achieve his goal?

Summary

Let's look at each in detail.

Summary

Short-term Goals

Long-term Goals

Fixed Goals

Types of Goals

Flexible Goals

Goal Setting Theory of Motivation

Summary

Summary

Step 1: Identify what you really want to achieve

Goal Setting Theory of Motivation

Step 2: Write down reasons for the goals

Steps of Goal Setting

Step 10: Positive affirmations and visualize success

Step 3: Write down the goals on paper

Step 9: Track and review your progress

Step 4: Define your goals clearly and specifically
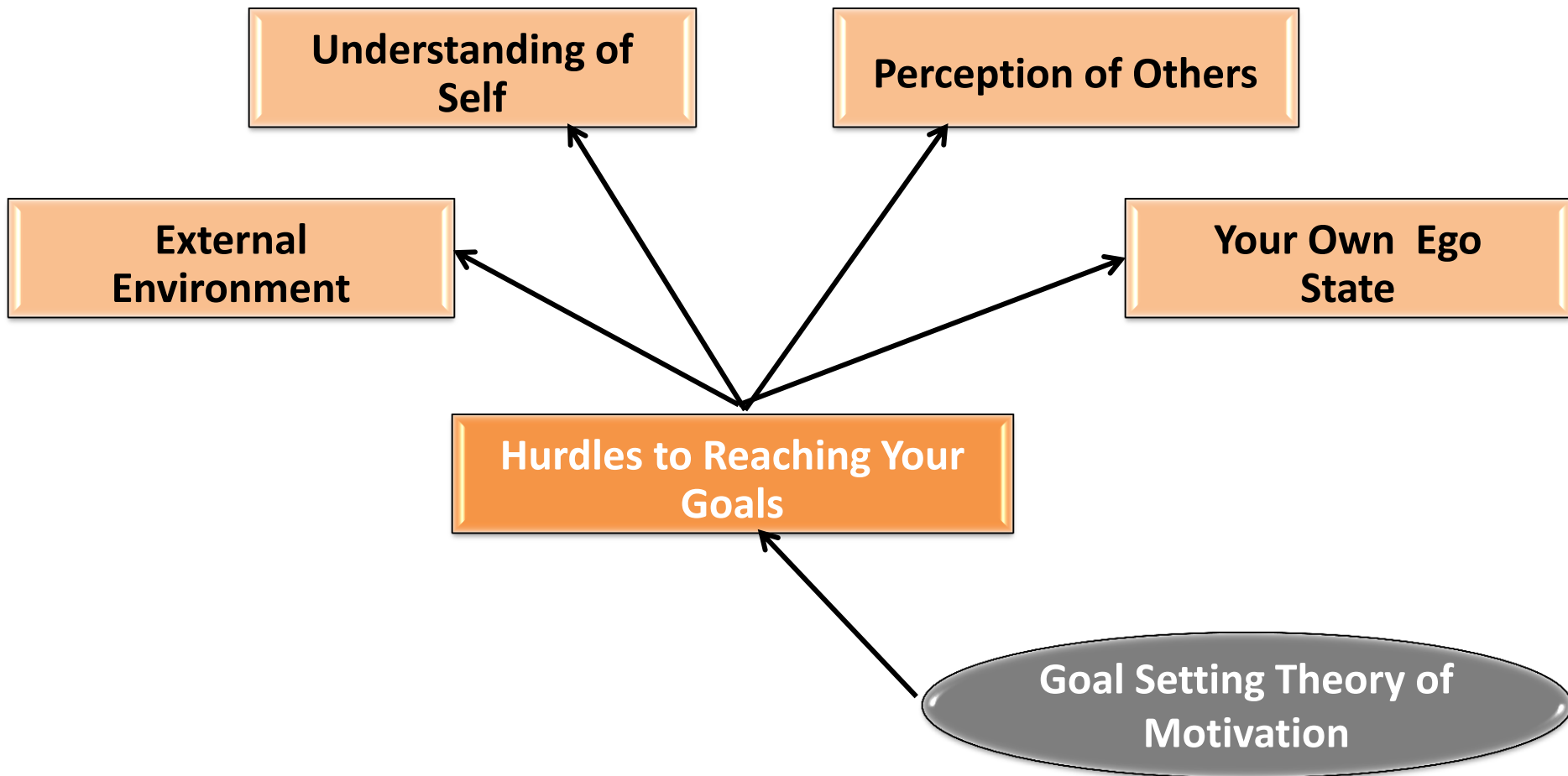
Step 8: Take action to achieve your set goals

Step 5: Break goals into sub-goals

Step 7: Plan the strategy for achieving the goals

Step 6: Mention deadlines for your goals

Summary

Glossary

Click each alphabet to learn more.

A

C

E

F

P

Glossary

Click each alphabet to learn more.

- **Affirmations -** Affirmations means a statement asserting the existence or the truth of something

- **Action -** Action means the state of being active

A

C

E

F

P

Glossary

Click each alphabet to learn more.

- **Challenge -** Challenge means a demanding or stimulating situation

- **Complexity -** Complexity means the quality of being intricate and compounded

A

C

E

F

P

Glossary

Click each alphabet to learn more.

- **Ego -** Ego means an inflated feeling of pride in your superiority to others or your consciousness of your own identity

- **Environment -** Environment means the totality of surrounding conditions

A

C

E

F

P

Glossary

Click each alphabet to learn more.

- **Feedback -** Feedback means the critical assessment or suggestions to improve performance

- **Flexible -** Flexible means able to adjust readily to different conditions

A

C

E

F

P

Glossary

Click each alphabet to learn more.

- **Project -** Project means a planned undertaking or any piece of work that is undertaken or attempted

- **Personal -** Personal means particular to a given individual

A

C

E

F

P

You have Successfully Completed the Module on

Goal Setting Theory of Motivation!

Congratulations