CONTEXTUAL LIMITATIONS OF GOAL-SETTING THEORY

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ABSRACT

This paper aims to identify and explain scenarios in which the basic premise and requirements of goal-setting theory, namely "that employees work more productively when guided by clear and achievable goals and when given feedback that relates to the goals" (Lander, 2017) are met, but where a goal, in fact, reduces an individual's motivation. The findings lead to the following contextual limitations: Firstly, universal goals limit the self-efficacy of over-achievers. Secondly, individuals anticipate future goal increases based on current performance and goal achievement and proactively work against them. Moreover, further research is needed to prove whether perceiving goals as a threat, due to adverse loss-aversion frames or cognitive biases, have negative impacts on motivation.

Keywords: Goals; goal-setting theory; motivation; organizational behavior; self-efficacy

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INTRODUCTION

Originating from the work of Dr. Edwin Locke in 1968 and Dr. Gary Latham, goal-setting theory is one of the foundational motivation theories and argues that specific, challenging goals

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themselves can increase motivation and performance when explicit criteria are met: A person must (1) be committed to the goal, (2) possess the ability to complete it, and (3) receive appropriate feedback on progress (Locke, and Latham, 2006, p. 265). The underlying reasoning is that goals direct attention, energize, sustain efforts (Paul Green Jr., lecture, September 25, 2018), and ergo presumes a "positive, linear relationship between goal difficulty and task performance" (Locke, and Latham, 2006, p. 265). The theory further: (1) recognizes positive effects of participative goal-setting, (2) limits its validity in cases of cultural differences, and (3) acknowledges negative implications when a task is focused on learning or complex that it requires higher levels of creativity or cognitive focus (Locke, and Latham, 2006, p. 265).

Evidence from various laboratory and field settings mostly support the claim that having specific and challenging goals yield higher effort and performance than having no goals or 'dumb' goals (Robbins & Judge, 2016, p. 254). However, successive research identified further drawbacks and boundaries to the theory, which are partially accepted by Locke and Latham (2006). The most commonly expressed shortcomings are conflicting or ineffective goals, lack of a person's ability or commitment, tunnel vision, or increase in unethical behavior (Leadership-Central, n.d., Robbins & Judge, 2016, p. 256). Points described above will not be further analyzed in this paper as they can predominantly be attributed to not fulfilling the specific and adjusted requirements defined in the theory. In contrast, this paper aims to identify and explain scenarios that by degrees disprove or limit the theory in situations where its fundamental requirements are met, but where setting or having a goal leads to a decrease in motivation

CONTEXTUAL LIMITATIONS

I. UNIVERSAL GOALS LIMITING HIGH ACHIEVER'S SELF-EFFICACY

Having identified a positive correlation between goals encompassing entire teams, departments, or organizations and the organization's future growth and performance, Latham and Locke (2006, p. 265) also presume causation. However, the preponderance of existing research primarily focused on (1) the organizational levels, or (2) averaged individual levels, but overlooked the impact on the individual, peculiarly of high-performers: Influencing how one sets targets and performs, goals do work for underperforming employees, as they have an anchoring effect and signal one's ability. This hypothesis of the impact of self-efficacy on motivation can be linked to Victor Vroom's expectancy theory, which is by degrees compatible with goal-setting theory (Robbins & Judge, 2016, p. 258).

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Performing, or having at least the potential to do so, above the universal goal, over-achievers' self-efficacy levels become limited, leading to drops in motivation and performance.

The above suggests that dynamic individually adjustable goals, based on one's trend and performance, are superior to broad overarching goals, which have more of a hit-and-miss approach. Arguably, this point can be partially accounted for in the theory by 'setting the right goals.' Even so, it is essential to recognize that one goal cannot equally motivate a larger group of individuals with different levels of ability, self-efficacy, and current or potential performance.

II. ANTICIPATION AND MANAGEMENT OF FUTURE GOAL INCREASES

In this scenario, an individual initially commits to a goal and is motivated by it, but eventually starts to notice that the goal's completion is likely, which is facilitated by feedback on the progress (one of the theories' core components). If one anticipates future goals to be based on the current performance and goal difficulty, the initially supported goal now constitutes higher burdens in the future. At this stage, one can possibly decide to reduce effort, avoiding detrimental overperformance. Such a proactive goal achievement management has the potential to eventually reduce motivation and performance and thus partly conflicts with goal-setting theories premises.

As an example, take a sales agent, who receives a bonus when reaching his monthly target value of $30,000, but does not earn a percentage commission beyond that point. Due to his experience, he expects his boss to raise his next target based on last month's performance and goal achievement by an incremental three percent. For this reason, he reduces any additional effort once he is confident that the goal achievement is highly likely. Goal-theory supporters can argue that in this case, goal acceptance is not constant (Robbins & Judge, 2016, p. 254), but the agent still ensures that the current goal will be met. A further potential counterargument here is the reward's existence and impact. To name an example irrespective of extrinsic rewards, consider an athlete's attempt to break a world-record: If he is well aware of his position and strongly expects to reach his goal, he might slow down, in order to potentially beat the record again even further in the consecutive year. Critics can argue that the individual (1) prioritizes repetitive goal attainment over reaching his full potential, and (2) disregards eventual future drops in ability or increased competition.

The contextual limitation suggests that existing research (1) only accounted for goal achievement and net increase in performance, but (2) had difficulty measuring an individual's performance in

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relation to one's full potential, and (3) underestimated human's tendency to learn from experiences as well as the tendency to proactively manage the difficulty of future goals.

III. PERCEIVING AND FRAMING GOALS AS A THREAT

In research related to goal-setting theory, Drach-Zahavy and Erez (2002) identified that, in contrast to a positive potential-gain frame, a harmful or threatening loss-aversion frame of a specific and difficult goal, causing emotional states of fear and stress, can negatively impact performance irrespective of personal capability and commitment. As an example, a kind of gamification in an office environment which (1) publishes, (2) indirectly compares, and (3) exposes individual (under-) performance can create a competitive environment: A failure 'to live up to' one's reputation in the organization or the team's average can lead individuals to focus primarily on the negative effects of the goal. Future research is needed to validate whether such psychological framing and perception biases similarly decrease motivation, and can be a further limiting condition to goal-setting theory.

CONCLUSION

Despite meeting goal-setting theories' fundamental requirements, namely goal specificity, a moderate challenge, and feedback on performance (Robbins & Judge, 2016, p. 254), goals can exceptionally reduce individual motivation: (1) universal goals limiting over-achiever's self-efficacy, (2) anticipation and management of future goal increases. Additionally, further research is needed to confirm the (3) impact of perceptional biases and negatively framing goals as threats. The scenarios outlined above do not fundamentally challenge goal-setting theories validity but rather present exceptional dimensions, in which further boundary conditions are necessary.

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