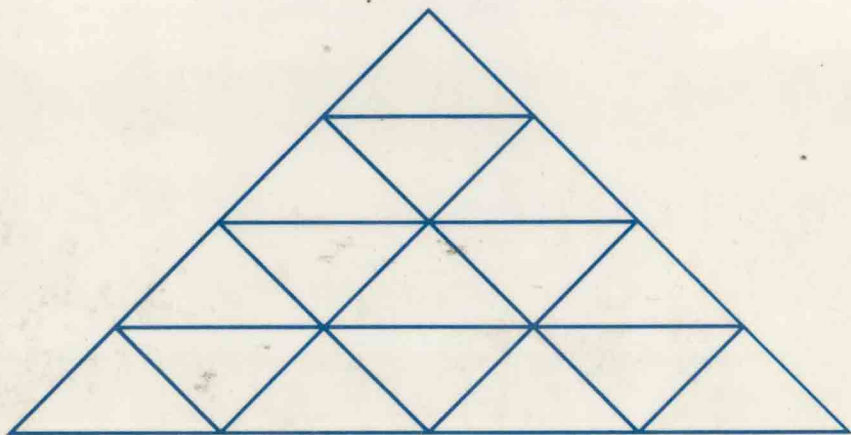


FROM MANAGEMENT GOAL SETTING TO ORGANIZATIONAL RESULTS



**TRANSFORMING STRATEGIES
INTO ACTION**

KEITH CURTIS

From Management Goal Setting to Organizational Results

Transforming Strategies Into Action

Keith Curtis



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Preface

Goal setting has been found to be a powerful management tool for improving performance in most organizational settings, whether private or public. It has worked across the spectrum, for small entrepreneurs and large corporations and for local and national governments. The reason why goal setting works is that it helps to focus effort. By concentrating effort, performance is improved, and improved performance leads to positive results. Goal setting is a technique or a tool, and a part of the management process. It is also a process that can be taught, learned, and applied to the everyday work setting. However, implicit in the goal-setting technique is something that makes it far more than simply another tool for the managerial tool box. Goal setting is based on a results-oriented managerial philosophy. The management philosophy presented in this book hinges on the premise that the primary task of management is to produce positive results and that goal setting is the tool to energize a results-oriented managerial philosophy.

A great benefit of the goal-setting technique beyond producing the positive results is that it also provides a tool to measure them. Goals allow managers to effectively measure performance against the standard of the goal itself. Then, and only then, can managerial effectiveness be assessed. More important, measured goals provide the baseline from which future performance can be managed and improved.

However, goal setting is not sufficient by itself to guarantee results: the goals that are chosen must be the right ones. The question becomes, not only did we accomplish what we set out to do, but also,

was it the right goal? The answer to that question has both practical and ethical dimensions. Other questions that must be asked and answered include: What constitutes an effective goal? Whose goals are we talking about—organizational goals, team goals, or individual goals? Are these goals the same, and should they be the same or different? If they are different, how can they be effectively integrated to ensure positive results? This book helps answers these important questions.

The few exceptions where goal setting may not be totally appropriate are in purely political situations where ambiguity can be used to advantage, although even in politics, organizations find goal setting useful to establish internal goals through which to facilitate organizational efforts. However, this book is not about politics. It is intended for practical managers and executives who are trying to run effective organizations with limited resources. The book is also for students aspiring to management roles. The benefit is to provide a practical, yet powerful, management tool that is useful for all organizational levels and sizes.

This book is important to both managers and students. It provides the basic building blocks for effective goal setting. That means exploring goal-setting techniques that have been shown to provide positive results for organizations, teams, and individuals. It also shows how to attain those results. Only by demonstrating that goal setting produces more effective results than not setting goals can this book be worth the read. To accomplish that purpose, it shows how to set organizational, team, and individual goals and explains how goals can be effectively integrated as a powerful managerial tool. The ultimate purpose here is not to provide the mechanics of goal setting, but to help managers and students develop a management philosophy on which they can build to produce positive results.

Part 1 begins by establishing the foundation for the remainder of the book. It addresses the managerial philosophy underlying goal setting. The theory of goal setting is covered in Part 2. Studies are reviewed showing that organizations, teams, and individuals that set high goals are more effective than those that do not. The next part begins by addressing goal setting from an organizational perspective, and team goal setting follows. Techniques for individual goal setting are discussed in Part 5, while Part 6 pulls together organizational, team, and individual goal setting by examining how information must be managed in a goal-oriented setting. Part 7, entitled "Change and Goal Setting," provides the techniques necessary to implement the goal-setting

philosophy in a rapidly changing world. The book concludes with an examination of the ultimate purpose of management, which is to produce positive results.

Acknowledgments

For some years I have been developing and trying management ideas in both large and small organizations. From relatively small organizations to those with fifty thousand assigned people, I have seen how leaders and managers accomplish uncommon deeds. My experience includes positions as chief executive officer of a 1,000 bed teaching hospital, the administrator of a health care system with 27 hospitals and clinics, 5 years in Washington, D.C., as an executive officer to the surgeon general of the U.S. Air Force, and the chief operating officer of a now \$2.5 billion health insurance program.

This book is dedicated to all those for whom I have worked, and to those who have worked with and for me. They have taught me some great lessons. It is also dedicated to the thousands of hearty souls who supported me while I developed my management mind-set. The ideas that proved themselves useful in the trenches of organizational life are reflected in this book, while those that were silly, misguided, or just did not work in practice have been discounted. My appreciation goes to those who were tolerant enough to let me try them out.

Now, as a university professor, my desire is to pass along those rich experiences to other practicing managers who want to be more effective in their careers. Although this book is not just for practicing managers, the thought of helping these individuals become more effective was the fuel for the engine. What the reader gets in return are not only the thoughts of an experienced manager, but also the academic rigor that provides a much more disciplined reading of the literature.

We will avoid the boring "war stories," even though there is much to be said for managers exchanging experiences. However, my preference is to stay with the substantive issues that combine management theory and practice. The idea is to provide a book that goes beyond the sometimes narrow academic findings of a pure researcher, while at the same time avoids recounting anecdotes and personal opinion. If there is anything that makes this volume unique, it is my practical experience combined with academic training.

A special note of thanks to the professionals at Quorum Books—to Eric Valentine, who first read and accepted the manuscript, to Margaret Hogan, who oversaw the production and was always available to answer questions and assist with the details, and to Nicole Balant, who did such a masterful job of editing—my heartfelt appreciation to you all.

Becky Mosley, Staff Secretary at the University of Oklahoma, did a yeoman's job in putting together the final product, serving as the coordinator for last-minute changes. She indeed deserves great credit for what is good about the presentation of this book.

This book is also dedicated to a loving and dedicated person, my wife, Patty, who was a major contributor. For thirty-some years we traveled around the world with three wonderful children. There was pain and joy; hardship and happiness; success and failure. For all those experiences we are closer than ever, and for that I am grateful.

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Part I

INTRODUCTION TO MANAGEMENT PHILOSOPHY

Chapter 1

Philosophy of Management

Dr. Stanley Teal, former dean of the Harvard Business School, said that people's personal philosophies, their ways of looking at the world and the men and women around them, determine their success as managers of things and people more than any other single factor. Managers' basic attitudes are far more significant than the techniques they use. As we look to the future, we have reason to believe this will be increasingly true (Duce, 1974, p. 1). The purpose of Part 1 is to lay the groundwork for readers to think about their own personal philosophy of management. The first chapter presents a framework of management philosophy and the next chapter develops a results-oriented philosophy that forms the foundation for the goal-setting technique.

THE NATURE OF PHILOSOPHY

This book begins with the single most important topic of management, the manager's philosophy. What is philosophy and how does it relate to management? Why is philosophy so important? The manager's philosophy sets the stage for all that follows. It determines how to handle change and innovation, it impacts on managerial style, it affects the ways in which managers deal with people. In short, it is the basis of decision making.

We develop a philosophy that can be relied on in times of turmoil. One of the best known behavioral theorists, Chris Argyris, has said that

an administrator needs to have a philosophy of management upon which to base action when all other reference points fail. In the words of the philosopher Abraham Caplan, to develop a personal philosophy is to say how one will orient oneself to the world of one's experiences, what meaning will be found in events, what values are aspired to, what standards will guide one's choices, and all that is done (Duce, 1974, p. 2). As the Scriptures say, as we think, so we are.

You must know what you believe—not what you say you believe, but how you put your beliefs into action. Your philosophy affects how you relate to people and things and, therefore, it is the basis of your actions and behavior.

We must put management philosophy in a proper perspective in relation to other levels of thought. There are three different levels of thinking, and philosophy is only one.

MYTHOLOGY—THE FIRST LEVEL OF THINKING

In humanity's early days on earth, when life was largely a struggle, the physical world challenged people to understand their world. They reacted by creating myths, which allowed them to define their physical world and explain some basic truths.

There are several primary characteristics of mythology. Myths are dramatic, effective, and emotional. They are socially constructed, as opposed to individually held, beliefs. They are social in the sense that they apply to group behavior rather than the behavior of an individual. However, they are accepted uncritically by individuals. The ideas, definitions, and behavior specified in myth had the collective authority and acceptance of the group, or what we now call *conventional wisdom*.

PHILOSOPHY—THE SECOND LEVEL OF THINKING

The second level of thinking arose as individuals began to question the authority of mythological interpretations. Philosophy, for the most part, arises out of a person's inability to live with structured mythical interpretations.

Philosophy is a system of rational investigation of the principles of being, knowledge, and personal conduct. Philosophers search for a

general understanding of values and reality; often, they seek to be objective, looking for guidance in practical affairs. Philosophy is more individual in nature than myth. There is no sanctity about it; instead, there is an attempt to avoid emotional involvement in a philosophical search. It is an activity that is never finished and is always open to new thoughts. Philosophical authority comes from the empirical and rational evidence that provide support for a theory.

However, one of the problems of philosophy stems from its very strength, that is, its reliance on rationality and objective evidence. For example, empirically we observe that railroad ties appear to merge in the distance, and so we make that conclusion based on the rational evidence. Discovering this error leads us to the third level of thinking, that is, science.

SCIENCE—THE THIRD LEVEL OF THINKING

Science begins with the rational qualities of philosophy, seeking to arrange facts or truths systematically and carrying them to logical conclusions. Science demands proof, and not just evidence; its aim is objectivity, which explains why scientific analysis has been the chief tool of science during the centuries of its development. The scientist, who is restricted by precise analytical methods, is also limited to facts and truths that can be dealt with systematically.

Technology has provided science with a powerful tool, the computer, which can quickly analyze massive amounts of data. The problem is that the more data we analyze, the more precise we must be in defining the problem, making it impossible to keep sight of the whole. For example, we can study disease but not health—and in this way, science leaves us with more questions than answers.

While science dominates our thinking today, philosophy still serves an important role in contemporary society. There is a need to search for a general understanding that science alone cannot provide, but in that search there is also the danger of turning back to mythology. Twenty-five hundred years of rational philosophizing and five hundred years of scientific analysis are simply not sufficient to overcome a myth-making tendency of perhaps a hundred thousand years.

MYTH MAKING TODAY—IDEOLOGY

Myth making today is somewhat different from prescientific mythology. Early mythology explained for early humanity the basic truths of the physical world, while today, we use the word *ideology* to identify this visionary body of thinking.

Ideology is a set of beliefs, doctrines, and attitudes held by the members of social movements, institutions, or other large groups. Moreover, ideology is based on external authority. It is social and visionary in its base rather than rational and objective. Simple answers that have universal appeal and seem to make sense are the basis for ideological beliefs.

Ideology does not require understanding but rather, a plan of action. It is a closed system that supplies the final answer—it is "prescriptive." Ideology arouses emotional commitment and can withstand a great deal of rational criticism. It oversimplifies thinking and uses slogans to characterize social and political movements and thus can become dogmatic.

IDEOLOGY VERSUS PHILOSOPHY

Ideology becomes philosophy when we begin to question ideological prescriptions. Philosophy becomes ideology when we accept an idea without question, when the pursuit of knowledge ceases. Cultural ideologies today are prevalent fashions in clothes, automobiles, architecture, art, and management theory. These ideologies capture the human mind, but rarely is an attempt made to justify the ideology rationally. Instead, we unthinkingly accept the conventional wisdom.

Institutional ideologies have been exemplified in the management literature according to prevalent fashion. One school or another dominates our current thinking. Management by Objectives, Quality Circles, Job Enrichment, Job Enlargement, Strategic Planning, Goal Setting, and Teamwork are oversimplifications and prescriptive formulas. Total Quality Management may soon be added to the list as it evolves from a philosophy to an unquestioned ideology.

According to Leonard Duce, this distinction between ideology and philosophy is critical for contemporary society, and especially for the manager. Managers must develop and clarify what they believe about