Faculty of Cognitive Science and Human Development

INVESTIGATING THE IMPACT OF THE GOAL SETTING COMPONENT OF THE NEW APPRAISAL SYSTEM AMONG THE SUPPORT GROUP OF STAFF AT THE CHIEF MINISTER'S DEPARTMENT USING ACTION RESEARCH

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1997/1998
ACKNOWLEDGMENT

I would like to express my heartfelt appreciation to all those who have assisted me in writing this thesis. Special thank is accorded to my supervisor, En. Hong Kian Sam and co-supervisor, Dr. Gabriel Tonga in giving me advice and guidance to enable me to come up with this thesis. They are indeed very helpful during my hard times.

I also would like to express my gratitude to my superior, especially to Y.Bhg. Datuk Dr. Hatta, the Deputy State Secretary (Administration) and En. Sim Yee Boon, the Director of General Administration for enabling me to conduct the study in the department. Also not forgetting the action research group members, En. Azlan, En.Zulkipli, En. Ariffin, En. Awang Bujang and En. Abdul Rahman, special thanks to them for their cooperation, collaboration and their efforts rendered during the course of the research, for without them I would not be able to come up with this thesis.

Lastly, to all those who had helped me directly or indirectly in writing this thesis, I would like to thank you all.
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ABSTRACT

This research investigates the impact of the goal setting component of the Appraisal System among the support group staff at the Chief Miniser's Department using action research. The objectives were to determine: the impacts of goal setting on support staff, reasons why the evaluators did not perform the mid-term review, ways to improve effective implementation goal setting and initiating goal setting review. The sample would consist of 60 support staff in the department involving categories 'B', 'C' and 'D'. The study used action research methodology in trying to solve the departmental problem by forming action research group from the Registry Section, Protocol Section and the Account Section, where each group member would select 3 of his own staff as learning set in the implementation stage. The process of action research involving planning, acting, observing, reflecting and evaluating were used to generate responses to the research questions and interview questions from among the support staff and the private sectors. Data collection was done through interviewing. Interview questions and participants observation were used. Analysis of finding was carried out by using content analysis, brainstorming, and validation. The responses were used as basis for the guidelines and procedures in the implementation stage involving the support staff in the department. The actual implementation stage involved 3 staff in the various section of the department where goals are being set and performance standard established. Monitoring and feedback were also used in the implementation period by the supervisors or the action group members. The main finding was in the form of answers to the research questions as well as establishing the proper procedural practices in setting goals in relation to the goal setting component of the New Appraisal System. This procedures and guidelines when applied to the departmental setting as in the implementation stage could bring about changes on the individual staff in term of increasing performance and productivity which in the long run could bring about changes to the organization as a whole. Thus, goal setting if applied and practiced properly at any setting could have a tremendous impact on the productivity and performance of individual as found in this study.
ABSTRAK

CHAPTER ONE

Introduction

Background

The General Administration and Public Relation Division is one of the Chief Minister’s Department in the State Civil Service. It is headed by a Deputy State Secretary as head of department. It has three sections, namely the Registry, Account and Protocol section.

The problem of effective implementation and review of the goal setting component of the Appraisal System among all staff in the Department has long been in existence since the inception of the New Remuneration System. This evidence is clearly seen and noted from the researcher discussion with the immediate officer/supervisor in-charge of human resource at that material time and also from the fact that the researcher is also one of the evaluators. Most of them are not aware of the rationale and benefits of the review and effective implementation of the goal setting. Goal setting is only done once a year, normally at the beginning of the year in fulfilling the requirement of the appraisal system as directed by the State Civil Service with reference to the Federal Service Circular No.1/1992. Even then it was not followed up with the mid-term review as required by the State Civil Service (see Appendix A). As a result, it may have a significant impact on the productivity and performance of the individual and organization as a whole.

Thus the human resource department need to revamp its departmental practices in line with the requirement of the above Federal Circular to review and initiate effective implementation of the goal setting to all those involved. This will bring about the desired organizational mission and vision in term of increase in productivity and performance of the particular individual. The problem of effective implementation and review of the goal setting component involved both the evaluators as well as the staff themselves. For the purpose of the study, the research will be focused on the support group only as they make up the majority of the staff in the department.

Problem Statement

The research aim to investigate the impact of the goal setting component of the Appraisal System and the mid-term review by using action research method among the support group staff in the General Administration and Public Relation Unit of the Chief Minister’s Department.

Research Objectives

The research objectives derived from the problem statement are:

I. To determine the impact of goal setting component of the Appraisal System among the support group staff in terms of performance and productivity

II. To establish the reasons why the evaluators did not perform the mid-term review in the goal setting component of the appraisal system among the support group staff?
III. To find out ways how the management can improve the effective implementation of the goal setting component of the Appraisal System.

IV. To initiate implementation of the goal setting review of the Appraisal System among the support group of staff through:

   a) setting goals
   b) monitoring and tracking
   c) reviewing
   d) evaluating

Limitation of Study

This study will cover all the staff in the support group in the various sections of the Department especially those who are having problems with effective implementation of goal setting and its half-yearly review. Special attention would be given to all category of staff of the support group where the problem occurs during the above research. In addition to the above, proper guidance and facilitation would be given to all research group members in carrying out their interviews with the individual employees. The interview will be carried out in a group of two or more depending on the categories and capabilities of a particular individual in responding to the interview questions being asked.

For the implementation phase on the findings of the study, because of time constrain, the implementation conducted would be for a period of one month and involved about three staff of various category under the respective supervisors.

On the part of the researcher, action research methodology is new and bound to be faced with problems. This is because all this while we had been exposed to conventional research methodology, which is different to action research methodology. The negotiation for the study took a little bit of time in order to convince the head of department before approval is given.

Assumption

The assumption made in this research is that all the target group has been exposed to the concept of goal setting since they are required to set their annual work goal in the appraisal forms of the New Remuneration System. The problem is that the goal was never properly written down and there is no participative or psychological input from the management during goals setting process. Once the goals have been set, there is no follow up and review. Thus the role of human resource manager is critical in defining the need of goal setting among the support group and for the management on the usefulness of its review. It is also assumed that all the support staff should have a performance standard set during the annual appraisal exercise. It will be a basis for measuring the performance and productivity of the selected individual in the organization during the implementation stage.
Significance of the study

Goal setting and its mid-term review is critical in helping the officers to increase their productivity and performance. Mankletow and Tarrant (1995) mentioned that Burton (1983) in his research had shown that goal setting indeed affects the productivity and performance of an individual and also boost their confidence.

This research aims to establish:

i) the skills and knowledge in setting goals,
ii) reviewing the goals set.
iii) initiate effective implementation to achieve the desired end results of increasing:
   a) productivity
   b) performance

The plan for improving goal setting, its review and effective implementation can then be disseminate to other departments within the State Civil Service in Sarawak.

Definition of Terms

support group - Support group are staff categorized under the scale of group B - D in The Cabinet Committee Report of the Public Service Scheme.
supervisors - Supervisors are the designated Chief Clerk in the respective section of the Department.
manager - Manager is designated officer in-charge for the human resource department who is responsible directly to the Head of Department.
appraisal system - Appraisal system is the evaluation system for the yearly performance of the individual in the Department specifically meant for their annual salary increment, promotion purpose and rewards.
State Civil Service - State Civil Service is the public sector for the State Government of Sarawak.
organization mission - Organization mission is the Mission statement of the Department
organization vision - Organization vision is the Vision statement of the Department.
goal setting - Goal setting is a technique that yield strong and powerful meaningful results that we want to achieve for the job.

performance - Performance is defined as the efficiency and the effectiveness of performing a particular work.

productivity - Productivity is defined as an efficiency of transforming input into output.

review - The review of the goals set in the Appraisal forms as required under the New Remuneration System.

action research - A spectrum of activities that focus on research, planning, theorising, learning and development. It describes a continuous process of research and learning in the researcher long term relationship with the problem.
CHAPTER TWO

Introduction

This chapter would attempt to discuss the relevant concepts of the literature in relation to the study. References would be made to studies conducted by researchers such as Locke and Latham, Bandura and few others who had contributed a lot to the field of goal setting and task performance, and also the conduct of appraisal review. This chapter would also highlight the concept of the New Remuneration System among all civil service in Malaysia and the relevance of the goal setting as a component of the New Appraisal System.

The New Remuneration System

The New Remuneration System was adopted by all sector of the public service on January 1, 1992 through its circular no.4, 1992. The primary objective is to coordinate the human resource effectively through thorough planning, effective communication and fair personnel appraisal system. Civil service is a continuous process which involved setting objectives, behavioral and performance appraisal of individuals and groups in a specified period of time in order to increase quality and productivity of an organization. The New Remuneration System is a new concept of change involving the civil service and aims at strengthening the commitment of the public sector machinery in fulfilling its future roles. In order to ensure that changes will take place, a systematic and effective approach in the form of a new appraisal system was established.

One of the important element in the new appraisal system is the annual work goal, which requires the employees to set goals. have it reviewed half-yearly and the actual evaluation of the goals accomplished at the end of the year. These are the three main activities for measuring performance of staff. The annual work goals have to be set and agreed by both the employees and the evaluators in relation to the departmental goals. The goals can be in the form of projects, activities, services and those that can be measured in term of quantity, quality, cost and time. The annual work goals have to be realistic, using all the available resources.

Why goal setting?

Locke and Latham (1984) preface pp.ix stated in their introduction to the book “Goal Setting - A Motivational Technique That Works” that as the world economy is faced with a crisis unprecedented since the great depression, plagued by high inflation, massive unemployment, high interest rates, high number of business failures, most countries are looking desperately for a solution. The need for an urgent solution is made due to competition from countries such as Japan which are producing higher quality and lower cost goods than the rest of the world. Clearly one solution is to achieve higher productivity and quality in both the manufacturing and service sectors. Productivity and quality is affected by a number of factors which include the crucial role played by human resources. According to them, one of the human resource techniques to increase productivity and quality is through goal setting. Achieving goals is the mean in which individuals achieve their own happiness and accomplish something in life, and that an organization achieve success in the market place.
Locke and Latham (1984) quoted the President of Sony Electronics, Masuru Ibuka as saying “they have a strategy, an aim, a very real and clear goal and then establish the necessary task force to get the job done. The problem, in business and in life is how to use goal setting effectively”. According to them, goal setting, especially participative one, has been found to be effective in increasing performance and generating feeling of competency among the employees. The setting of specific goal made it clear to these workers what was required of them. Research on workers participation in goal setting has been extensive, and over the years have given mixed results. Locke and Latham (1990) quoted the studies done by Erez (1986), Earley and Kanfer (1985), Goodman (1979), Erez, Earley and Hulin (1985), Steers and Porter (1974) who concurred that participation in goal setting may enhance performance more than having goals assigned by others. Employees tend to perform at higher levels when they are allowed to participate freely in setting their own performance goals than when their supervisors tell them what goals they have to achieve. Participation in goal setting process may be helpful not only because it ensures that employees understand and appreciate the goals, but also because it makes them more committed and confident in attaining these goals. Sometimes, it is impractical to involve employees in the goal setting process, so other techniques have to be developed to enhance goal acceptance. One such approach involves using ‘psychological contract’ to make people more committed to attaining their goals. By getting employees to publicly commit themselves to attaining a goal, their acceptance of that goal and their likelihood of attaining it is increased. Acceptance of difficult goals can also be enhanced through supervisory support. Subordinates can hardly be expected to strive to attain goals that their supervisors do not seem to care about. Research has shown that when the supervisors or officers give his or her subordinates confidence about their abilities, the employees tend to set higher goals, which lead to higher levels of performance. One form of support is giving people the recognition for meeting their goals.

Locke and Latham (1990) also mentioned that in addition to the above, action plan, feedback, training, facilitative company policies, and resources of time, money, and assistance are all necessary to accomplish target goals and help to focus those efforts toward goal attainment. Feedback is necessary to access goal progress and make appropriate changes in behavior. Training is important to ensure that individual have the skills and knowledge necessary to attain the goal. Company policies and resources are needed to facilitate goal accomplishment and to eliminate performance constraint or blockage to goal accomplishment.

**What is goal setting**

Goal setting is the process by which individuals set personal goals that can lead to personal and career development in a particular direction, where as for an organization, it is seen as a mean of helping employees to pull in the same direction with a view to gaining a competitive advantage. Goal setting provides the vehicle for the achievement of individual ambitions and dreams and for organizational competitiveness. Locke and Latham (1984) mentioned that the technique of goal setting had been used long time ago by Taylor (1967) which he termed as task management. According to Taylor goal setting is a process where individual is given a definite task each day in which he is to perform in a given time and which constitute a clear cut standard. This he could measure throughout the day his own progress and the accomplishment of which affords him the greatest satisfaction. Goal setting can be applied to an individual employee, to work groups, or to managers, as well as to the organization as a
whole. A goal is what an employee is trying to accomplish on the job. It is an object or aim of an action.

Rogers and Hunter (1991), cited in Locke and Latham (1990) stated in their research of Management by Objective (MBO) studies involving a number of organization has consistently shown that when there is participation in decision making regarding goal setting from the lower level staff, useful information that is known to subordinates is passed upward and decision results in increase productivity. Senior level support for the goal setting is vital but participation is also critical in order to give credibility and as an example for others to follow.

What we can learn from this is that on the one hand, managers should support and indeed become involved in the whole process of goal setting but on the other hand, care should be taken to ensure that the subordinates have an input on the subject matter and the success criteria of the goal they will be working towards.

Mankletow and Tarrant. (1995), mentioned that goal setting is an important method for deciding what is important for us to achieve in life, separating what is important for us from what is irrelevant, motivating ourselves to achievement and lastly in building our self-confidence based on measured achievement in goals.

**The model of goal setting**

Gordon (1993) summarized a model of goal setting that affect performance based on Locke and Latham (1990). Individual sets goals in response to work related demands placed on them, and the goals in turn lead to performance.

The strength of relationship between goals and performance is affected by the workers ability, commitment to the task, and the receipt of feedback about performance, as well as the complexity of the task and other situational constraints. Further, performance increases when workers pay attention to a task, exert effort on it, and persist over time in doing it.

In diagnosing a situation where employees lack motivation to perform the job correctly and effectively, we can analyze the goal setting behavior. We can evaluate each of the factors as shown in the figure 1 and offer ways of improving them. In particular, we can focus on goals and make some assessment. First, we can ask whether the individual have goals. Second, we determine whether the individual accepts his or her goals, such acceptance depends on whether the individual perceive the goals as reasonable, are themselves self-assured and have previous success in accomplishing goals. Finally, we must assess whether feedback has been provided en route to goals accomplishment.
The importance of goal setting

Ziglar (1994) in his article entitle "Can you see what you are aiming for" likened those who do not set goals as a processionary caterpillars who blindly follows the others in front in a circle, even though food was given at the centre. Finally with the abundance food at the centre, they dropped dead in starvation. Many people make the same mistake of confusing activity and accomplishment, and as a result, reap only a small fraction of their life's harvest. This illustrate the importance of goal setting, where Ziglar quoted that a man is like a bicycle, unless he is moving forward toward a destination - a goal, he is going to falter or fail.
Locke and Latham (1990, 1984) stated in their research that the setting of specific goals, maintained and increase performance of a particular individual. They also mentioned that a goal is anything that an individual is trying to achieve, and that an individual conscious goal regulate one’s own behavior, normally the goal results in higher performance. They also explore further the importance of goal setting in an organization through a critical incidents study. The study was conducted in two plants of a high technology, multinational corporation. Seventy one engineers, fifty managers, and thirty one clerks were asked to describe a specific instance when they were especially productive and when they were especially unproductive on their present jobs. Of primary interest here are the external events perceived by the employee as being responsible for the high productivity and low productivity. The first set of events - pursuing a specific goal, having a large amount of work, working under dateline, or having an uninterrupted routine, accounted for more than half the high productivity events. Similarly, the converse of these - goal blockage, having a small amount of work, lacking a dateline, and a suffering work interruption, accounted for nearly 60% of the low productivity events. It is noted that the first set of categories are all relevant to goal setting and the second set point to either lack of goals or to goal blockage. The goal category itself - that of pursuing an attainable goal or goal blockage was one of the most frequently used to describe both the high and low productivity incidents. Employees were asked to identify the agent behind the events that led to high productivity and low productivity. In both cases, the employees themselves, their immediate supervisors and the organization were the agent most frequently mentioned. Critical incident studies have shown that goal setting can be the key determinant of high productivity. In addition to improving productivity, goal setting may also clarify expectation, relieve boredom, increase task liking and satisfaction with performance, lead to increase recognition and spontaneous competition, confidence and pride in one’s work.

Locke and Latham (1990) quoted the studies done together with Bandura (1986) that showed in their research the importance of goal setting in increasing self-efficacy because without specific goal, people have little basis for judging how they are doing or gauging their capabilities. According to Bandura (1986), self-efficacy refers to the person’s conviction that he or she can master a given task, thus leading to an increase level of productivity and performance. Those with low self-efficacy can result in a decreased level of performance. According to them, goal setting can lead to a depressive reaction in some individual since their adequacy of performance is measured against their personal standard. Locke and Latham (1990) also quoted the research done by Locke, Fredericks, Lee and Bobko, (1984) who mentioned that expectancy and self-efficacy plays an ubiquitous role in the high performance cycle, where it lead to high levels of goal commitment. They also lead to high goals level where goals are self-chosen.

Newstrom and Davies (1995) mentioned that the major factor for the success of goal setting is self-efficacy. This is the internal belief regarding one’s job related capabilities and competencies. Self-efficacy can be judged either on a specific task or across a variety of performance duties. If employees have high self-efficacy, they will tend to set higher personal goals under the belief that they are attainable. The first key to successful goal setting is to build and reinforce employee self-efficacy and then to incorporate the essential elements such as goal acceptance, specificity, challenging and performance monitoring and feedback. According to them also, goal setting works as a motivational process because it creates discrepancy between current and expected performance. This results in a feeling of tension, which the employee can diminish through future goals attainment. Meeting goals also helps to satisfy one’s achievement
drive, contribute to feelings of competence and self-esteem, and further stimulates one's growth needs. Individuals who successfully achieve goals tend to set higher goals in the future.

Locke and Latham (1990) mentioned the research done by Latham and Lee (1986) also showed in their findings that goal setting is important in increasing the performance of employees. The goal setting research has shown repeatedly that people who try to attain specific and challenging goals perform better on a task than people who try specific but moderate or easy goal, vague goal such as “do your best” or no goals at all. This is further supported by Earley, Connolly and Ekegren (1989) who mentioned that setting specific and challenging or difficult goals enhance performance in many tasks. They went further that for novel and complex tasks, the effect of specific and difficult goals on performance disappears or reverse. This finding, replicated in close to four hundred studies has been verified both narrative and enumerative reviews. These finding have shown external validity across a wide variety of tasks, from a simple reaction time to scientific and engineering work, as well as across laboratory work to field setting, short and long life span, hard and soft performance criteria, quantity and quality measures, and individual and group situations. One such example is the study at Parkdale Mills Incorporation which demonstrated the effectiveness of assigning specific and difficult but achievable goals to raise the performance. People work harder to reach higher goal, as long as these are within limits of their capability. However as goals become too difficult, performance drops because people reject the goals as unrealistic. The same phenomenon has been found in industry. At General Electric manufacturing plant, specific goals are set for productivity and cost reduction. Those who perceived it as challenging, but possible, led to improved performance. However those who perceived it as unattainable led to decreased performance, Locke & Latham (1984).

According to Locke and Latham (1984) goal setting have been used by managers for the last seventy years and that there have been 110 goal setting experiments conducted in laboratory and in the organizational setting in the last 12 years, and 90% of these studies obtained positive results in favor of goal setting.

In another company, the use of goal setting with a single work group has saved the company of $250,000.00. It has now been more than 8 years since goal setting was introduced in this group and the goals continue to be effective until this day.

Greenberg (1996) mentioned that organizational scientists have found that under certain conditions goal setting can lead to mark improvement in performance. Specifically it has been found improvement results under conditions when goals set are specific, difficult but reasonable and accompanied by feedback. According to Greenberg (1996), goal setting is a very effective tool managers can use to motivate people. Setting of specific, acceptably difficult goal and providing feedback about progress toward that goal greatly enhance job performance.

Rausch (1997), in an article of the TQM Magazine quoted that when the role of goal is clearly understood and when goals are used appropriately, an organizational unit has a sound foundation on which to build for outstanding performance. An understanding of goals clearly impact on our three ongoing challenges: the policies needed to ensure control and co-ordination, competence and climate. Obviously, co-ordination and control are enhanced when focus on priorities is sharpened. Competence will be improved because the management committee will have time to look at the important issues standing on the way of higher levels of services. Goals for competence improvement inevitably spring from such a review. Finally, clear definition of
responsibilities, and a fair performance evaluation which that permits, are key foundation for a positive climate.

Dubrin (1990) mentioned that goal is an individual intention to regulate his or her action. Goals give direction and help us to focus our effort in a consistent direction. Poh (1994), The Editor of Visionary Magazine concurred with Dubrin (1990) when he stated that goals give us direction in life. It is the driving force that propels us towards success as we travel through the journey of life. Setting a challenging goals can lead to a burning desire for one to develop winning habits such as positive mental attitude, a healthy self-image, confidence, persistence and so on, thus result in higher productivity and performance in whatever job that we undertook.

Designing A Goal Setting Program

Mankletow and Tarrant (1995) mentioned that goals can be set effectively through the following steps:

i. phrasing goals positively  
ii. defining them positively  
iii. prioritising multiple goals  
iv. writing goals down  
v. keeping them manageable, not too hard but not too easy  
vi. set performance goals

Steers (1991) devised a program in making goal setting technique work, which requires considerable effort and commitment on the part of the management. To implement such an approach, it is desirable to work through three phases as shown at figure 2 below. These three phases when taken together, should ensure that goals are properly set, accepted by the employees and reinforced with proper training and reward system.

Step 1: Set appropriate goals

Initially it is vital that managers establish goals that are task specific yet reasonable to the employees even to the extent that when the established goals are specific, quantifiable, and challenging, employees should have a clearer idea of what is expected of them. As a result, wasted or misdirected efforts are reduced or minimized. Research has shown that in general, difficult goal fairly consistent lead to better performance than easy goals or no goals. Similarly setting specific quantifiable and challenging goals also lead to higher performance. Susan (1994), Locke and Latham (1984) have similar steps on how to set goals, which are briefly described below.

i. Specify the general objectives or task to be done

A useful way to specify an employee’s task is to begin with a general job description which should indicate what an employee is expected to do, that is, what tasks are to be performed, what outcome an employee is responsible for obtaining, what deadlines are to be met and so on. Some job descriptions list the critical job
requirements, that is, requirements that make the difference between success, if fulfilled and failure, if not fulfilled.

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<td>Set specific moderately difficult goals</td>
<td>Secure employees acceptance of goals</td>
<td>Provide support and feedback to employees on goal performance</td>
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Figure 2: The Three Stages In Implementing A Goal Setting Program
(Source: Based on Steers (1991))

ii. **Specify how the performance is to be measured**

Some outcomes are obviously easier to measure than the others such as measuring sales in dollar volume or number of units sold. For a typist, the performance can be measured in term of the number of errors made, and the time spent for each job. In some cases there is difficulty in measuring the outcomes of the individual, which may be determined by factors beyond the control of the individuals. The alternative is to measure the behaviors or actions that are assumed can lead to successful outcomes insofar as these are under the control of the employees. These actions are discovered by questioning the representative sample of the job incumbents and their peers, supervisors, subordinates and client(as applicable). From this list Behavioral Observation Scale can then be developed, after which goals can be set based on the frequency with which the individual being rated demonstrates or engages in these actions.

iii. **Specify the standard or goal to be reached**

This involves not only using the quantitative scale established in step ii above but also indicates the specific degrees of performances to be achieved, for example producing sixty units per hour, completing the project in May, or answering all customer queries within twenty four hours. It is noted that formulating the goal in this manner satisfies the criterion of specificity and the challenging criterion can be met by insuring that the goals set is at sufficiently high level. A more immediate acceptable, precise way to set goals is to use previous performances as a standard. Most employees consider their average previous performance to be fair and reasonable goals. Previous performance can be easily calculated where there are past records, but care must be taken to ensure that previous conditions of work are the same, or else adjustment has to be made to take account of the new circumstances.
iv. Specify the time span involved

This involves setting the deadlines for reaching the goal. For example, to answer each customer inquiry within ninety minutes. For repetitive manual work, it is common to set goals for each day, for instance, to type forty letters for the day. As level of responsibility increases it may be appropriate to increase the time span across which goals are projected. Thus while semi-skilled or blue collar workers may have daily or weekly goals, the goals of executives may be expressed in term of months or years. Many organizations seem to emphasize on annual goals, but for some business people, they believe it is too short a time span for effective strategic planning.

v. Prioritize goals

As jobs increase in complexity, the number of different goals is likely to increase. When more that one goal is set it becomes important to rank the goals in terms of their relative importance. The purpose of this step is to direct action and effort in proportion to the importance of each goal. It is critical here that a consensus exist regarding goal priorities, so that each person knows exactly what is expected. It can be unfortunate and even tragic, to give an employee a poor performance evaluation when the problem was not lack of competence but rather lack of knowledge as to what was expected.

vi. Optional step: rate goals as to difficulty and importance

If a high degree of qualification is desired in the case where multiple goals are set, each goal can be rated as to its difficulty and importance. These ratings can be combined with the rating of degree of goal fulfillment in order to calculate an overall performance score for each individual. The advantage for the above procedure is that individuals are given credit for trying for difficult goals even if they do not fully achieve them, since their score depends on the degree of attainment as well as the goal difficulty. Thus an employee who sets very easy goals and exceeds them might get a lower total score than one who set hard goals and partially attains them. Similarly, an employee who reaches only low priority goals and neglect those with high priority ones could get low score than one who tries for important goals and partially achieves them.

vii. Determine coordination requirement

Before settling on a final set of goals, it is important to determine whether achieving this set of goals is dependent on the cooperation and contributions of other individuals. If so, it may be necessary to coordinate the goals of various individuals and to ensure that the goals of different people are not conflicting. Vertical coordination may be relatively easy with management by objective system, for example, since each manager will be aware of the goals of each subordinate. Conflicts are more likely to occur laterally, thus there is a need of lateral integrating mechanisms.
Step 2: **Secure Goal Acceptance From Employees**

Once reasonable goals have been set, it is important to secure employees acceptance and expect them to achieve the goals. It is also vital that employees accepted the stated objectives of their work schedule, otherwise significant resistance can emerge that will jeopardize the entire program. Goal acceptance is critical to program effectiveness and can be encouraged in several ways including explaining the rationale behind the goals to the employees, allowing participation in the actual goal setting process, tying rewards to goal attainment, and providing supportive work environment that is conducive to goal effort.

Step 3: **Provide Support And Feedback To Employees**

Employees must be given continuous feedback concerning the results of their effort, in fact as Locke and Latham (1990) pointed out that “motivation without knowledge is useless”. Employees must know what they are doing right and what they are doing wrong. Such feedback provides the gyroscopic function necessary to enhance goal directed effort. In addition, employees must be provided with sufficient job related skills to work effectively towards the goals. Hence, training, feedback and reinforcement emerge as key variables in any attempt to successfully implement goal setting programs in organizations.

**Goal setting and performance appraisal**

Locke and Latham (1990) mentioned that performance appraisals serve as a basis for decisions regarding promotion, demotion, transfer, or layoff. Frequently they are used to determine what, if any, salary increase or bonus an individual will receive. The appraisal interview or review is designed, in theory, to motivate and stimulate the individual’s strengths and correct weaknesses so that the person is of maximum benefit to the organization. In practice, however, performance appraisal sometimes reduce performance to a level to where it was prior to the appraisal. A case study conducted at The General Electric Company according to Locke and Latham (1990) shows that the decline in performance was due to the element of criticism that all appraisal had in common. One way to escape this problem is to ignore all the negative aspects of the employee’s performance, but this would simply ensure that poor performance would not be improved. A more drastic solution is to take note of deficiencies but not have any formal appraisal done at all. However, not giving the employees any feedback through an appraisal can prove costly. Feedback is necessary for improving performance. In fact, evidence indicates that little learning occurs without feedback or knowledge of results. Furthermore feedback is necessary for the setting of goals and the monitoring of progress toward their attainment.

**The conduct of appraisal interview/review**

Locke and Latham (1990) discussed on how managers should conduct appraisal interview or review for the employees. The management should have all the overall appraisal and the facts to back it up. The manager may also want to have the employee perform self-appraisal on the behavioral observation scale before the meeting. If there is agreement between the two, this save a lot of time and permits the interviews to proceed towards setting specific goals for the future. On the other hand, if there is substantial disagreement, the supervisor and