GOAL SETTING AND PERFORMANCE MANAGEMENT IN THE PUBLIC SECTOR

GARY P. LATHAM
UNIVERSITY OF TORONTO

LAURA BORGOGNI AND LAURA PETITTA
UNIVERSITY OF ROME

ABSTRACT: *The public sector in North America as well as parts of Europe is increasingly adopting a performance management system that includes goal setting, coaching, and the evaluation of an employee on goal attainment. The purpose of this article is three-fold. First, the extant literature on goal setting for individual employees is summarized in terms of its applicability to the public sector. Second, the importance of context to goal setting and performance management in the United States and Italy is discussed. Third, coaching techniques, based on theory and empirical evidence, for increasing the probability of goal attainment by public sector employees are examined.*

The 1993 U.S. Government Performance and Results Act (GPRA) has mandated that every federal agency set goals and be evaluated on goal attainment. Moreover, GPRA states that every federal agency must report its progress toward goal attainment annually to Congress. The Harvard University Executive Session on Public Sector Performance Management (2001) describes an effective performance management system as one that includes strategic prioritized goals that are challenging yet not overwhelming, and are measurable/fact-based on using up-to-date performance data. Similarly, performance measurement systems have become widespread in Europe, most prominently in the U.K. and in Scandinavia (Kelman 2006; Sundstrom 2006). In Italy law D. Lgs n. 165/01[1] has changed the mission of the public administration in order to increase agency efficiency and effectiveness to that of European standards. Government employees are now given specific high goals and are evaluated on their attainment (Le Agenzie Pubbliche-Public Agencies 2006).

This emphasis on setting goals in North America and parts of Europe is supported by goal setting theory. Conceptually, goal setting theory (Locke and Latham 1990a, 2002; Latham and Locke 2008) is as applicable for motivating an employee in the public sector as it is to the private. The specificity of a goal for both motivating and evaluating the effectiveness of an employee in the private sector is, however, sometimes easier to define and quantify than is the case for an employee in a government agency (Chun and Rainey 2005a,b). In Italy in particular, introducing goal setting and coaching employees to attain specific high goals has been difficult because these processes are contrary to tradition. In the past, Italian employees in government were assessed primarily on the number of tasks they completed (Borgogni and Petitta 2003; Fertonani 2000).

The purpose of the present paper is three-fold. First, goal setting theory and the empirical research that led to its development is summarized. Second, the importance of context to goal setting and performance management in the United States and Italy is discussed. Third, coaching practices, based on theory and empirical evidence for increasing the probability that employees will attain their goals, are examined.

GOAL SETTING THEORY AND RESEARCH

Goal setting theory (Locke and Latham 1990a, 2002; Latham and Locke 2007) was developed inductively from the results of empirical studies conducted in laboratory and field settings on individuals and teams. The theory states that (1) a specific high goal (e.g., immunize 100% of students in grades 1–12 in this country by November 30th) leads to higher performance than (a) an easy goal (e.g., immunize only 20%), (b) a general goal such as "make children healthy" or an exhortation to "do one's best," or (c) no goal setting. (2) Given ability as well as commitment, the higher the goal, the higher a person's performance. (3) Variables such as (a) participation in decision making, (b) feedback, including praise, (c) competition, and (d) monetary incentives only affect a person's behavior to the extent that they lead to the setting of and commitment to a specific high goal. With regard to the latter, neither the theory nor empirical evidence suggests that the opposite is true. Money is not necessary for gaining goal commitment.

Mitchell and Daniels (2003) reported that more than a thousand studies have been conducted on the effects of goal setting. Thus it is not surprising that Rynes (2007) reported that the positive effects of goal setting is among the top five established findings in the human resource management scholarly literature. More than 90 percent of empirical studies have shown positive effects of goal setting on an employee's or a team's performance (Locke and Latham 1990a). The reason why goal setting typically has a positive effect on performance is that a specific high goal affects choice, effort, and persistence. That is, a specific goal or target increases a person's focus on what is to be accomplished versus putting it off for a later date. Commitment to a specific high goal also leads to persistence until the goal is attained. Moderator variables that enhance or limit the effectiveness of goal setting

on performance include ability, commitment, feedback, task complexity, and the situation or context. People with high ability are able to attain higher goals than those with low ability. Commitment is the *sine qua non*. Those with little or no commitment to a goal by definition do not have one. Feedback is necessary for discerning whether goal progress has occurred or whether a change in strategy is necessary for goal attainment. If an employee lacks the knowledge or skill to perform a task, the mechanisms (mediators) explaining the influence of goal effectiveness on performance are not operative. That is, choice, effort, and persistence alone, the three cornerstones of motivation, are not sufficient for goal attainment. Strategy, a fourth mediator, is necessary (Locke and Latham 1990a). The situation or context is also important to the extent that the necessary resources are available for an individual or team to attain a goal (Latham 2007a).

Among the field experiments conducted to assess the effect of goal setting empirically in a division of an organization that does not seek to generate profits is one involving engineers/scientists in an R&D division (Latham, Mitchell, and Dossett 1978). The issue confronting the company was how to motivate these individuals to attain "excellence." For this, a performance management system was developed.

The first step was to define excellence. Bottom-line measures such as new revenue streams, patents, or publications in peer-related journals were rejected because criteria such as these (a) are often affected by factors over which a person has minimal control, (b) do not take into account factors for which an individual should be held accountable (such as being a team player or working effectively with line managers to ensure implementation), (c) can encourage a "results at all costs" mentality, and (d) do not inform an employee of what to start doing, stop doing, or consider doing differently (Latham and Wexley 1994). Consequently, a job analysis was conducted using the critical incident technique (Flanagan 1954) to identify the job behaviors differentiating high from low performance. The result was the development of Behavioral Observation Scales (Latham and Wexley 1977, 1994). Behavior Observation Scales (hereinafter, BOS) are free from irrelevant factors not under an employee's control. BOS, because they are derived from a job analysis, indicate precisely to employees what they are doing behaviorally to warrant recognition, discipline, transfer, promotion, demotion, or termination. Moreover, BOS correlate positively with "bottom-line" measures (Latham and Wexley 1994). An employee is rated on a 5-point scale on the frequency with which each critical job behavior has been observed. Subsequent field research has shown that the use of BOS for providing feedback is conducive to setting and committing to specific high goals (Tziner and Kopelman 2002).

The second step in developing this performance management system was to determine how to motivate people to demonstrate the behaviors on the BOS. One of the R&D directors wanted to assign the engineers/scientists goals in terms of a specific high score to attain on the BOS. A second R&D director argued for employee participation in the goal setting process. The third director argued against the use of goal setting with engineers/scientists who, he argued, were already highly motivated. He advocated use of praise, public recognition, or monetary incentives as rewards. The results of this discussion were a 3 (assigned, participatively set, do-your-best

goal conditions) × 3 (praise, public recognition, or a monetary bonus) factorial design plus the addition of a control group. The employees in this latter condition were unaware they were included in this experiment. This was in contrast to the employees who were fully aware of who was in each of the nine experimental conditions. The BOS defined for all employees the scoring band (e.g., 90–100) that they had to attain in order to be considered an excellent, superior, full, adequate, or a below adequate employee. Consistent with the theory, the people who were urged to do their best and who received feedback in the form of praise, public recognition, or a monetary bonus based on the score bands specified by the BOS performed no better than those in the control group who did not receive any feedback.

Those employees who participated in setting their goals performed significantly better than their peers who were assigned goals, despite the fact that goal commitment was the same regardless of how the goal was set. This is because those in the participative condition set goals that were significantly higher than those that were assigned by an R&D director. Consistent with goal setting theory, the higher the goal the higher the employee's performance. The improvement in performance due to praise versus money was not appreciably different. Both led to higher performance than public recognition.

Seventeen subsequent experiments (e.g., Latham and Steele 1983) have shown that when goal difficulty is held constant, there is no motivational benefit to one method of goal setting versus the other provided that the logic or rationale for an assigned goal is given (Latham, Erez, and Locke 1988). There can, however, be a cognitive benefit for participation in decisionmaking. Latham, Winters, and Locke (1994) randomly assigned people to an assigned or a participative goal condition where they either worked alone or in a group on a task that was complex for them. Once again, no significant difference in performance was found for the two methods of setting a goal as the goals were identical in terms of difficulty level. But performance was significantly higher in the participative than in the individual decision-making condition. This main effect for participation in decision making, however, was completely mediated by task strategy and self-efficacy, namely, one's confidence that the goal is attainable.

High Performance Cycle

Subsequent studies on goal setting led to the development of the high performance cycle (Locke and Latham 1990b; Latham, Locke, and Fassina 2002). This model states that specific difficult goals, plus high self efficacy for attaining them, are the impetus for high performance. High goals and high self efficacy energize people to search for strategies that will lead to goal attainment. The effect of high goals on performance is moderated by ability, commitment, feedback, situational variables, and whether the characteristics of the job are perceived by an employee as growth facilitating. High performance on growth-facilitating tasks is typically a source of both internal and external rewards.

These rewards lead to high job satisfaction. The consequence of high job satisfaction is a desire to remain with the organization and to seek future challenges, hence the name "high performance cycle" (HPC). The practical significance of this model is that it provides a framework for creating both a high performing and a highly satisfied workforce.

Indirect support for the recursive aspect of the HPC (i.e., high goals → high performance → high goals) was found by Ilies and Judge (2005). Positive affect mediated a significant proportion of the relationship between feedback and the future goals a person sets. After meeting or exceeding a goal, people did not decrease their effort so as to minimize the positive discrepancy between their performance and their goal. Instead, they set even higher goals so as to attain higher performance.

Selden and Brewer (2000) tested the HPC model using data from the U.S. Office of Personnel Management (OPM) survey of federal civil servants (n = 2774). Consistent with the HPC, high specific demands were found to have a significant positive relationship with a civil servant's performance. Employees' belief that they could accomplish something worthwhile (which implies goal importance) correlated positively with performance. Employees with tasks where the appropriate course of action was unknown, and hence had yet to be identified, had lower performance than their peers with tasks where ways to perform them were relatively clear. Employees with high levels of job satisfaction were also those who were committed to the organization. The authors concluded that the HPC has "important implications for policy makers and public managers" (Selden and Brewer 2000, 545).

Further support for key aspects of this model was subsequently obtained by Wright (2004) in his study of state government employees. His data showed that public sector organizations concerned with employee motivation should assign specific tasks that challenge their employees. Challenging tasks, with concomitant specific high goals to attain, focus an employee's attention and effort toward the attainment of a specific outcome(s). Consistent with the HPC, Wright also found that situational constraints mitigate the benefits typically derived from setting high goals. These constraints are discussed subsequently in this paper with regard to context.

Selden and Brewer (2000) found that knowing how to do what is required correlates positively with the high performance of civil servants. This finding was initially discovered years earlier in a laboratory, and subsequently in a job simulation. In a series of laboratory experiments in the U.K., Mace (1935) found that the goal that was set had a positive effect on a person's performance only when, consistent with goal setting theory, the person has the knowledge or skill to attain it. Otherwise, urging people to do their best led to higher performance than setting a specific high goal. Similarly, Kanfer and Ackerman (1989), using an air-traffic control simulation involving air force cadets, discovered that in the early stages of learning, when the focus of a person's attention should be on knowledge acquisition, urging people to do their best leads to higher performance than focusing on attainment of a specific high performance goal.

Mone and Shalley (1995) obtained similar findings on a task where people lacked the requisite knowledge to perform effectively. Contrary to their expectations,

multiple trials over a three-day period did not lead to the acquisition of appropriate task knowledge when a specific high performance goal was set. In fact, setting a specific high performance goal detracted from the search for an appropriate strategy. Even worse, the dysfunctional effect on performance from setting a specific high goal increased over the three-day period, while the performance of those with a "do best" mindset became increasingly better. Those with a high performance goal "mindlessly" switched from one strategy to the next rather than search systematically for those that are effective. Do these findings suggest a limitation or boundary condition to goal setting theory? The answer turned out to be no.

Kanfer and Ackerman's (1989) theory of cognitive resource allocation states that assigning a difficult performance goal to a task where people have yet to acquire the requisite knowledge to perform effectively has a detrimental effect on a person's performance. This is because self-regulatory processes initiated by setting a performance outcome goal "steals" attentional resources that are required for learning how to perform the task.

A series of experiments by Latham and his doctoral students replicated the findings of both Mace and Kanfer and Ackerman. But, in addition to replicating the above findings, Winters and Latham (1996) found that when a specific, difficult learning goal, rather than a performance outcome goal, was set, performance was significantly higher than in the "do your best" condition. They concluded that the findings of the studies noted above were due to the type of goal that was set, namely a performance outcome goal. At the time when Kanfer and Ackerman's cognitive resource allocation theory was developed, research on specific, challenging learning goals had yet to take place.

The primary distinction between a performance and a learning goal is the framing of the instructions (Seijts and Latham 2005; Latham, Seijts, and Crim 2008). A performance goal focuses an individual's attention on the end result; a learning goal focuses a person's attention on the process of learning or discovering how to perform a task effectively. The person's unitary attentional pool of cognitive resources, consistent with Kanfer and Ackerman's theory, is explicitly directed to learning/mastering the task rather than worrying about ways to attain a specific performance outcome.

Commitment to a performance goal results in the choice to exert effort and to persist until the goal is attained by cueing, and then using the knowledge and ability one already possesses. A learning goal draws attention from the desired end result. It requires people to focus on acquiring the knowledge or skills they are lacking in order to perform effectively. Thus the purpose of a learning goal is to stimulate one's intellect, to engage in discovery, to integrate newly acquired information with prior knowledge, and to "think outside the box" (Seijts and Latham 2005). Commitment to a challenging learning goal leads to the choice systematically to search for new ideas, to exert effort to actively seek feedback, and to be reflective (Latham, Seijts, and Crim 2008). When effective behavioral routines have yet to be developed, a specific high learning goal rather than a performance one should be set. This is because a specific high learning goal focuses attention on systematic problem solving, which ultimately leads to high performance (Seijts, Latham, Tasa, and Latham 2004; Seijts and Latham 2005).

Although the benefit of a learning goal is that it focuses attention on discovering/developing ways of performing effectively, it should not be set when a person already has the knowledge to perform the task (Winters and Latham 1996) or when the behaviors critical for goal attainment are known (Brown and Latham 2002). In these two instances, setting a learning goal is inefficient. It takes time away from doing what one already knows how to do.

Far more empirical research on the positive effects of goal setting on performance has been conducted in the private than in the public sector. Nevertheless, the application of job analysis to develop behavioral criteria for which specific high goals are set can be implemented as easily in the public as in the private sector.

Both Metezenbaum (2006) and "An Open Memorandum" (2001) to new government executives cite excellent examples of the benefits of setting specific high performance outcome goals for governmental organizations as a whole, or for one or more departments within them. But bottom-line measures for motivating an employee in the public and private sectors should be viewed with caution. The primary purpose of performance management/appraisal is the assessment and development of each individual employee, not the organization that employs employees. Outcome measures that are comprehensive for coaching an individual employee are typically difficult to find. But behaviors, identified through a job analysis, specify what an employee must do to implement an organization's strategy to affect its bottom line (Latham and Mann 2006).

Behavioral goals are likely to be more applicable than performance outcome goals for an employee in an agency concerned with public safety, human services, national defense, or the regulation of social and environmental conditions. For appraisal/coaching purposes, bottom-line measures such as number of arrests, crime rates, and quality of life indicators are often excessive in that they are affected by factors beyond an employee's control. In addition to being excessive, bottom-line measures, although effective for assessing an organization (Hatry 1999), are usually deficient in that they do not take into account factors (e.g., collaboration) for which an individual employee should be held accountable. Moreover, these measurement indicators, unlike behavioral measures, do not specify what an employee must do to impact these outcomes positively.

As is the case with behavioral goals, setting specific high learning goals is as applicable in the public as they are in the private sector. It is noteworthy that money was not necessary for obtaining goal commitment in any of the studies reviewed in this paper. Note too that the high performance cycle to date has been validated only with government employees, not with employees in the private sector.

The Importance of Context as a Moderator of Goal Setting

Context is derived from the Latin root "contexere" (hold together, weave). With regard to organizational behavior it refers to characteristics of an organization that facilitate or hinder an employee or team's behavior (Borgogni and Petitta 2003). As

an aggregate, the society in which the organization exists, the organization's own culture/climate, the physical work surroundings, and the tasks themselves that an employee must accomplish foster meaning and sense for employees. Goal setting theory states that the situation or context is a moderator variable in that it can enhance or minimize the effect of a specific high goal on an individual's performance.

For example, Brockner et al. (2001) concluded that societal culture moderates the effectiveness of participation in decision making. In cultures characterized by a value for high power distance and/or by individualism, employees are more likely to prefer goals that are assigned by their manager; employees in collectivistic as well as low power distance cultures are more likely to respond favorably to participatively set goals.

Sue-Chan and Ong (2002) examined the effect of specific high goals that were assigned on subsequent goal commitment, self-efficacy, and the job performance of employees in ten different countries. Self-efficacy mediated the effect of goal assignment for those who were low in value for power distance. As Hofstede (2001) has argued, transposing an intervention that has proven to be effective in one context to another must be done with caution. If there is a mismatch between employee values and those embedded in a goal setting intervention, the intervention is likely to be a failure.

Organizational justice theory (Folger and Cropanzano 1998) states that in addition to being fair, a leader must be seen as fair. To foster trust, a leader who assigns a goal must provide a logic or rationale for doing so (Latham, Erez, and Locke 1988). For example, is the goal setting intervention designed primarily to develop the employee so as to improve job performance, or to facilitate assessment of a team and the individual members of the team? In short, are the goals that will be set for developmental purposes, for administrative purposes, or both? Organizational justice principles suggest that a goal setting intervention will succeed only to the extent that management is seen as sincere by employees and as having a transparent logic for introducing the intervention.

The scientific principles of goal setting have been shown to be applicable in virtually any culture. Empirical evidence shows that they increase performance in Australia (Wood, Bandura, and Bailey 1990), Canada (Brown and Latham 2000), the Caribbean (Punnett 1986), England (Mace 1935), Germany (Kleinbeck 1986), Israel (Erez and Zidon 1984), and Japan (Matsui, Kakuyama, and Onglatco 1987). Nevertheless, context must be taken into account in the practice or art of introducing a goal setting intervention (Latham 2007a).

GOAL SETTING IN THE U.S. PUBLIC SECTOR

Among the contextual factors affecting the motivational benefits typically derived by employees from goal setting is the particularly high levels of goal ambiguity that exist at the organizational level in many government agencies. Chun and Rainey (2005a) developed and then assessed measures of organizational goal

ambiguity in a government context. They found that an agency's goal lacks clarity for employees when the goal is open to a number of interpretations. Fuzzy terms used in legislation provide little or no guidance for employees' implementation of legislated mandates. Yet this is unlikely to change, they concluded, because ''goal clarification is often considered 'managerially sound' but 'politically irrational' in the public sector'' (Chun and Rainey 2005a, 23). Nevertheless, federal agencies are required to develop their goals based on statutory mandates (U.S. OMB 2001).

In a follow-up study, Chun and Rainey (2005b) assessed the effects of goal ambiguity at the organizational level on the following performance variables: managerial effectiveness, customer service orientation, productivity, and work quality of federal government employees. All four measures showed significant negative relationships with evaluative goal ambiguity (i.e., amount of interpretable leeway that a statement of organizational goals allows in evaluating progress toward goal attainment), and directive goal ambiguity (i.e., amount of interpretive leeway available in translating an organization's mission or general goals into directives and guidelines). Chun and Rainey interpreted these findings as supporting the necessity of agencies increasing the specificity level of the goals that they set.

Chun and Rainey's (2005b) study used U.S. federal employees' perceptions of their agency's performance as the dependent variable. Wright (2004), on the other hand, examined the extent to which the work setting, specifically goal ambiguity, goal conflict, and procedural constraints, have a detrimental effect on a state government employee's performance. His survey data suggest that ambiguity in organizational goals carries over to the job level through its relationship with feedback. To the extent that an organization's goal is vague, its deleterious effect on an employee's performance can be mitigated by improving the quantity and quality of feedback given the employee. As argued previously, the development and use of BOS can be used for feedback purposes as well as for increasing an employee's goal commitment (Tziner and Kopelman, 2002).

Wright also found that perceived procedural constraints adversely affect the benefit typically derived from goal specificity. When policies are seen by employees as hindering goal attainment, goal commitment declines because employees become unsure whether goal attainment or simply respect for the procedural constraints is valued by the organization. As will be discussed shortly, people must see the relationship between what they do and the desired outcome they expect if motivation is to become or remain high (Bandura 1997). Hence, consistent with goal setting theory, Wright concluded that steps must be taken to reduce procedural constraints if goal setting is to have a positive effect on employees in the public sector.

GOAL SETTING IN AN ITALIAN CITY HALL

Chun and Rainey (2005a,b) examined goal setting at the national government level. At the local level, however, goal setting can be quite different, that is specific rather than ambiguous. This is because the responsibilities of local government are arguably generally more operational than at the national level.

Borgogni, Petitta, and Mastrorilli (2007) argued that perceptions of context (POC) explain how an individual's and a team's actions affect organizational outcomes. POC include shared perceptions among an organization's members regarding top management's policies, a leader's capability for integrating coworker efforts, coworker collaboration on administrative activities, and the actions they take to enhance their organization's effectiveness (Borgogni 2001; Borgogni, Petitta, Amaducci, and Mastrorilli 2007). POC affect an employee's self-efficacy—one's level of conviction as to whether difficulties or obstacles to goal attainment can be overcome.

As noted in the introduction, legislation in Italy has changed the way government employees are to interact with one another. Among these changes is a move away from bureaucratic rules that constrain how employees are to work in favor of a participatory management process whereby individuals within groups and the organization as a whole work together within a service-oriented culture. The rationale underlying this change is that employee involvement promotes organizational effectiveness and commitment to the organization.

The result of these mandated changes was assessed in an Italian city hall (Borgogni, Dello Russo, Petitta, and Latham in press). The results showed there was a shift from a focus on how many tasks were completed to attainment of the specific high goals that had been set. The study found that the employees knew they were required to participate and collaborate with one another for collective goal attainment and to take part in the decision-making process. Despite this mandated change, many employees believed that "organizational politics" and the previous bureaucratic procedures for getting things done would in the end prevail. They doubted the willingness of upper management, their direct supervisor, and their colleagues to share knowledge and to cooperate with one another for goal attainment. These perceptions existed despite the fact it was now critical to the city hall's success that organizational members not only have the necessary abilities to fulfill their roles by cooperating with one another, but also that they became seen by one another as actively contributing to the city government's effectiveness.

To overcome employee doubts that these changes in context would actually occur, upper management clearly communicated the city's specific goals, and they let employees know when they were doing a good job in making progress toward goal attainment. In addition, they held the employees accountable for attaining the goals. The immediate supervisor or team leader engaged employees in the goal setting process by soliciting their ideas on goal attainment. In addition, they integrated and coordinated the efforts of the individuals within the group. The result, as assessed by questionnaires completed anonymously, was an increase in employee commitment to the organization. In addition, the employee-completed questionnaires indicated that collective efficacy regarding their beliefs that the group and the organization as a whole are able to attain their goals increased.

Performance measures in terms of goal attainment were not made available to the present authors. But Olivero, Bane, and Kopelman (1997), in a study involving a municipal agency in the United States, found that those who received coaching that included goal setting, collaborative problem solving, feedback, and an evaluation of

end results increased their performance significantly. Thus this paper concludes with a brief discussion of the coaching literature.

COACHING

As noted earlier, goal setting theory states that feedback is only important to the extent that it leads to the setting of and commitment to a specific high goal (Latham 2007a). This is because feedback is information an employee can choose either to ignore or act on. The roles of a coach include successfully getting employees to use the feedback to set and pursue a specific high goal; enabling them to see the relationship between what they must start, stop, or continue doing to attain the goal; and increasing their self-efficacy (i.e., task-specific confidence) that attainment of a high goal is indeed possible. Renn (2003) found empirical support for these assertions in a field study involving rehabilitation counselors of a state government agency. Feedback had a positive relationship with job performance only for those individuals with high goal commitment.

In addition to goal setting theory, two additional theories explain the effectiveness of coaching within a performance management system. Social cognitive theory emphasizes the importance of a coach increasing a person's outcome expectancies and self-efficacy for goal attainment (Bandura 1997). Outcome expectancy (as noted earlier) refers to the importance of enabling employees to see the relationship between what they do and the desired goal they will attain in order to bring about and sustain motivation (Latham 2007a). This is especially critical for inculcating goal importance among employees. Employees persist in expending effort toward goal attainment if they see the relationship between what they are doing and the attainment of outcomes important to them (Latham and Locke 2007). In the public sector, employees are more likely to be motivated if they see how their work contributes to attaining their agency's goals, especially if those are perceived as altruistic (Wright 2001). This is because most employees choose to work in the public sector in order to help others and to benefit society (Crewson 1997). As Perry and Hondeghem (2008) noted, public service employee motives generally fall into two categories, the motive to do good for others and to shape the well-being of society.

Latham (2001) developed an empathy box that a coach can use to ascertain ways to gain an employee's commitment to a goal. The assumptions underlying the use of this box are two-fold: (1) An understanding of the outcomes an employee expects leads to an understanding of an employee's behavior. Why does she say what she says? Why does he do what he does? (2) Changing the outcomes an employee expects changes an employee's behavior. The empathy box, shown in Figure 1, was used by Latham to gain the commitment of hourly union employees to engage in ethical behavior.

An employee may see the relationship between what needs to be done and the attainment of a desired goal, but lack the self-efficacy that he or she can do what is required to attain it. Social cognitive theory specifies three ways to increase an employee's self-efficacy regarding goal attainment. Enactive mastery involves sequencing tasks, and setting proximal or sub-goals that all but guarantee "small

	Outcome expectancies	
	+	-
Goal commitment	1?	2?
Goal rejection	3?	4?

5?

1. What positive outcomes do you expect from committing to the goal?;
2. What negative outcomes do you expect from committing to the goal?;
3. What positive outcomes do you expect from rejecting the goal?;
4. What negative outcomes do you expect from rejecting the goal?;
5. What would have to shift or change to get you to commit to the goal?;
   a. As a coach, look for answers in cells 2 and 3;
   b. As a coach, resist temptation to focus on cell 4, punishment.

Figure 1.   Empathy Box.

wins." Feedback from proximal goals signals whether a person is making progress toward attaining a distal goal or whether a change in strategy is necessary. Moreover, proximal goal attainment sustains effort and persistence for attaining a distal goal (Latham and Seijts 1999). A second strategy for building self-efficacy is to find a model with whom the person identifies who has either attained the goal or is in the process of doing so (Latham and Saari 1979). A third method for increasing self-efficacy is persuasion from a significant other, such as a coach. This person needs to emphasize a promotion focus (i.e., gains that can be made and recognition likely to occur) rather than a prevention focus (i.e., frames situations as loss vs. no loss and punishments likely to occur) with regard to goal attainment (Sue-Chan, Wood, and Latham 2008).

Implicit person theory (IPT) predicts and explains the likelihood of a manager taking the time to coach employees. This theory states that managers who hold an "entity belief" adhere to the philosophy that a leopard cannot change its spots (Latham 2007b). Hence, the emphasis of these managers is on effective selection practices. Performance appraisal, rather than performance management, is emphasized as a way of validating the selection method used, and then replacing poor performers who managed to slip through the selection process with good ones. In contrast to managers who believe that ability is a fixed entity, managers with an "incremental belief" do find the time to coach their employees. This is because they believe that behavior can indeed be modified. Heslin, Latham, and VandeWalle (2005) showed that with training, managers with entity beliefs will adopt an incrementalist position.

Not every manager is willing to take the time to coach employees. In addition to social cognitive theory, Aronson's (1999) self-persuasion theory states that self-persuasion strategies produce more powerful and long-lasting effects than do alternative sources. Attitude and behavior change induced from others is typically

short-term, especially when there is a strong emotional component (e.g., "do this or else"). With self-persuasion, there is no direct attempt by others to convince anyone to do anything. Hence this theory states that self-persuasion allows individuals to convince themselves of the desirability of attaining a goal.

An increasing amount of research is being conducted on self-coaching where goal setting is at its core. Working with unionized state government maintenance employees, Frayne and Latham (1987) taught them to set specific high goals regarding job attendance, write a behavioral contract with themselves specifying ways they will reward themselves for progress toward goal attainment (e.g., go to an athletic event) or punish themselves (e.g., clean out garage) for lack of goal progress, and to self-monitor their attendance. Job attendance self-efficacy as well as subsequent job attendance increased significantly relative to individuals in a control group. When the employees in the control group were trained in the principles of self management, nine months later their job attendance increased to the level of those in the original training group (Latham and Frayne 1989). Self-efficacy in both field experiments predicted job attendance.

Verbal self-guidance, typically referred to as functional self-talk, has been used effectively as a self-coaching technique for enabling displaced managers to find jobs (Millman and Latham 2001), Aboriginals to perform effectively in a selection interview and subsequently to obtain a job (Latham and Budworth 2006), and to turn competitive MBA students into team players in their respective study groups (Brown and Latham 2006). This self-coaching technique involves verbalizing one's negative self-statements, changing these negative statements to positive ones, repeating them, and then strategizing ways to attain the desired goal. In these studies, verbal self-guidance increased self-efficacy, goal commitment, and goal attainment relative to a control group in ten or fewer hourly coaching sessions.

Visualization, sometimes referred to as mental practice (Richardson 1994) regarding goal attainment, has also been shown to be effective. In brief, this technique involves preparation of a guided script that specifies the skills one wants to acquire, step-by-step procedures for doing so, instructions for visualizing one's self implementing the script, and ways to use all of one's senses (e.g. seeing, hearing, smelling) while visualizing goal attainment. Morin and Latham (2000) used this methodology following a one-day training program for supervisors to increase their interpersonal effectiveness in dealing with union leaders. Interpersonal effectiveness was assessed using BOS derived from a job analysis. Following the training, a needs analysis revealed that the supervisors had thorough knowledge of the requisite communication behaviors, but had low self-efficacy that they could apply them on the job. Consequently, the supervisors were randomly assigned to conditions where those in the experimental group listened for 30 minutes to an audiotape: "Close your eyes. You are sitting comfortably in your chair, you feel relaxed and calm. The union leader you are waiting for is now coming towards the room . . . Imagine yourself slowly standing up and welcoming that person with a smile. Now shake the person's hand and feel your fingers firmly but friendly squeezing the person's hand. . . . Now hear yourself saying the following words to the person. . . ." This procedure was implemented in four bi-weekly one-hour sessions.

One month after the fourth and final session, self-efficacy was assessed. In addition, the performance of the supervisors was evaluated anonymously by two peers. The results revealed a significant relationship between self-efficacy and the supervisor's score on the BOS. BOS scores for those taught the mental practice skills improved; those for supervisors in the control group did not.

CONCLUSION

Goal setting theory states that situational factors are a moderator for the effect of a goal on performance. The level of government where goals are set may also be a variable that limits or enhances the relationship between goal setting and an employee's performance. At the federal level of government in the United States, goal specificity, a core aspect of goal setting theory, may be something that the goal setters are unlikely to do. Setting specific goals may require legislators to choose among competing purposes and ideologies. This is because these legislators may have more heterogeneous stakeholders than do managers in a private sector organization. Consequently, vague rather than specific goals are often set intentionally by legislators because setting specific goals by definition communicates to stakeholders that any goal not specified is considered by legislators to be of secondary importance, and hence unlikely to be attained. This perception can be the cause of legislators losing their jobs in a subsequent election. At the local levels of government, whether in Italy or in the U.S., the situation is often quite different. The responsibilities are often more operational than at the national level. Hence, the task of setting specific high goals for an individual or team is arguably more similar to that in the private sector.

Regardless of the level of government, goal setting has a role to play in the practice of public sector management and administrative reform. The problem of intentionally set vague performance outcome goals for employees at the national level may be overcome by setting specific high behavioral goals. Setting specific challenging learning goals would also appear to be applicable at any level of government where employees lack the knowledge on how to attain a given outcome.

Miner (1984), in his review of organizational behavior theories, concluded that goal setting is one of only four theories that are both valid and practical. Pinder (1984) stated that goal setting theory has demonstrated more scientific validity than any other theory or approach to employee motivation. Rynes (2007) concluded that goal setting theory remains among the top five theories in human resources scholarly research that are both important and well-established.

In summary, the extant literature strongly suggests that goal setting theory is applicable in the public as well as the private sector. There is no evidence to suggest that money is necessary for bringing about goal commitment. The moderating variable that can reduce the effectiveness of goal setting as a motivational technique in a public sector agency is fuzziness surrounding public

agency goals, not an inability to provide a monetary bonus for goal attainment. A way to overcome this problem of vague goals can be to shift the emphasis in performance management from an outcome goal to either a learning or a behavioral goal. Behavioral goals have been used effectively in the private sector (e.g., Latham, Mitchell, and Dossett 1978; Latham and Wexley 1994). All that is required is a job analysis behaviorally to define ''fuzzy'' concepts such as managerial effectiveness, customer service orientation, productivity, and work quality. The coaching techniques discussed in this paper have been used effectively in the private sector to increase a person's self-efficacy—the belief that achieving a specific high goal is attainable. None of these involved receiving money contingent upon goal attainment. There are no theoretical reasons why goal setting, combined with these self-management techniques, with goal setting at the core, will not prove to be equally effective in the public sector.

ACKNOWLEDGEMENTS

NOTE

1.   The name of this law is Codice del Pubblico Impiego (Code of the Public Employment). D. Lgs stands for decreto legislativo (government legislative decree). 165/01 is the number of the law passed in 2001. Whereas a law is proposed by the government and then approved by the two Councils (Parliament and Senate), a legislative decree is proposed by the Parliament in its main features and then passed by the government, who is required to articulate it in more detail.

REFERENCES

Aronson, E. 1999. "The Power of Self-persuasion." *American Psychologist* 54: 875–885.

Bandura, A. 1997. *Self-efficacy: The Exercise of Control*. New York: W. H. Freeman and Company.

Borgogni, L. 2001. *Efficacia Organizzativa (Organizational Efficacy)*. Milan: Guerini.

Borgogni, L., S. Dello Russo, L. Petitta, and G. P. Latham. in press. "Collective Efficacy and Organizational Commitment in an Italian City Hall." *European Psychologist*.

Borgogni, L. and L. Petitta. 2003. *Lo Sviluppo delle Persone Nelle Organizzazioni (People's Development in Organizations)*. Rome: Carocci.

Borgogni, L., L. Petitta, M. Amaducci, and A. Mastrorilli. 2007. "Dal Clima alle Percezioni di Contesto: Uno Studio Preliminare in Ambito Sociosonitaro" (From Climate to Perceptions of Context: A Preliminary Study in Healthcare Settings). *Rassegna di Psicologia* 1: 35–51.

Borgogni, L., L. Petitta, and A. Mastrorilli. 2007. Correlates of Collective Efficacy in the Italian Air Force. Paper presented at the XIIIth Congress of the European Association of Work and Organizational Psychology.

Brockner, J., G. Ackerman, J. Greenberg, M. J. Gelfand, A. M. Francesco, Z. X. Chen, K. Leung, G. Bierbrauer, C. Gomez, B. L. Kirkman, and D. Shapiro. 2001. "Culture and Procedural Justice: The Influence of Power Distance on Reactions to Voice." *Journal of Experimental and Social Psychology* 37: 300–315.

Brown, T. C. and G. P. Latham. 2000. "The Effects of Goal Setting and Self-instruction Training on the Performance of Unionized Employees." *Industrial Relations* 55: 80–94.

Brown, T. C. and G. P. Latham. 2002. "The Effects of Behavioral Outcome Goals, Learning Goals, and Urging People to Do their Best on an Individual's Teamwork Behavior in a Group Problem-solving Task." *Canadian Journal of Behavioural Science* 34: 276–285.

Brown, T. C. and G. P. Latham. 2006. "The Effect of Training in Verbal Self-guidance on Performance Effectiveness in a MBA Program." *Canadian Journal of Behavioural Science* 38: 1–11.

Chun, Y. H. and H. G. Rainey. 2005a. "Goal Ambiguity in U.S. Federal Agencies." *Journal of Public Administration Research and Theory* 15: 1–30.

Chun, Y. H. and H. G. Rainey. 2005b. "Goal Ambiguity and Organizational Performance in U.S. Federal Agencies." *Journal of Public Administration Research and Theory* 15: 529–557.

Crewson, P. E. 1997. "Public Service Motivation: Building Empirical Evidence of Incidence and Effort." *Journal of Public Administration Research and Theory* 4: 499–518.

Erez, M. and I. Zidon. 1984. "Effect of Goal Acceptance on the Relationship of Goal Difficulty to Performance." *Journal of Applied Psychology* 69: 69–78.

Fertonani, M. 2000. *Le Competenze Manageriali (The Managerial Competencies)*. Milan: Franco Angeli.

Flanagan, J. C. 1954. "The Critical Incident Technique." *Psychological Bulletin* 51: 327–358.

Folger, R. and R. Cropanzano. 1998. *Organizational Justice and Human Resource Management*. Thousand Oaks, CA: Sage.

Frayne, C. A. and G. P. Latham. 1987. "The Application of Social Learning Theory to Employee Self Management of Attendance." *Journal of Applied Psychology* 72: 387–392.

Hatry, H. P. 1999. *Performance Measurement: Getting Results*. Washington: The Urban Institute Press.

Heslin, P., G. P. Latham, and D. VandeWalle. 2005. "The Effect of Implicit Person Theory on Performance Appraisals." *Journal of Applied Psychology* 90: 842–856.

Hofstede, G. 2001. *Culture's Consequences*. Thousand Oaks, CA: Sage.

Kelman, S. 2006. "Improving Service Delivery Performance in the United Kingdom. Organization Theory Perspectives on Central Intervention Strategies." *Journal of Comparative Policy Analysis* 8: 393–419.

Ilies, R. and T. A. Judge. 2005. "Goal Regulation Across Time: The Effects of Feedback and Affect." *Journal of Applied Psychology* 90: 453–467.

Kanfer, R. and P. L. Ackerman. 1989. "Motivation and Cognitive Abilities: An Integrative/aptitude Treatment Interaction Approach to Skill Acquisition." *Journal of Applied Psychology* 74: 657–690.

Kleinbeck, U. 1986. "Effects of Goal Setting on Motivation and Performance in Dual-task Situations." Paper presented at the 21st International Congress of Applied Psychology.

Latham, G. P. 2007a. *Work Motivation: Theory, Research and Practice*. Thousand Oaks, CA: Sage.

Latham, G. P. 2007b. "Theory and Research on Coaching Practices." *Australian Psychologist* 42: 268–270.

Latham, G. P. 2001. "The Importance of Understanding and Changing Employee Outcome Expectancies for Gaining Commitment to an Organizational Goal." *Personnel Psychology* 54: 707–716.

Latham, G. P. and M. H. Budworth. 2006. "The Effect of Training in Verbal Self-guidance on the Self-efficacy and Performance of Native North Americans in the Selection Interview." *Journal of Vocational Behavior* 68: 516–523.

Latham, G. P., M. Erez, and E. A. Locke. 1988. "Resolving Scientific Disputes by the Joint Design of Crucial Experiments by the Antagonists: Application of the Erez-Latham Dispute Regarding Participation in Goal Setting." *Journal of Applied Psychology Monograph* 73: 753–772.

Latham, G. P. and C. A. Frayne. 1989. "Self Management Training for Increasing Job Attendance: A Follow-up and a Replication." *Journal of Applied Psychology* 74: 411–416.

Latham, G. P. and E. A. Locke. 2008. "Employee Motivation." Pp. 318–333 in C. L. Cooper and J. Barling, eds., *Handbook of Organizational Behavior*, Los Angeles: Sage.

Latham, G. P. and E. A. Locke. 2007. "New Developments in and Directions for Goal Setting." *European Psychologist* 12: 290–300.

Latham, G. P., E. A. Locke, and N. E. Fassina. 2002. "The High Performance Cycle: Standing the Test of Time." Pp. 201–228 in S. Sonnentag, ed., *The Psychological Management of Individual Performance. A Handbook in the Psychology of Management in Organizations.* Chichester: Wiley.

Latham, G. P. and S. Mann. 2006. "Advances in the Science of Performance Appraisal: Implications for Practice." Pp. 295–337 in G. P. Hodgkinson and J. K. Ford, eds., *International Review of Organizational and Industrial Psychology*, Vol. 21, San Francisco: Wiley.

Latham, G. P., T. R. Mitchell, and D. L. Dossett. 1978. "The Importance of Participative Goal Setting and Anticipated Rewards on Goal Difficulty and Job Performance." *Journal of Applied Psychology* 63: 163–171.

Latham, G. P. and L. M. Saari. 1979. "The Importance of Supportive Relationships in Goal Setting." *Journal of Applied Psychology* 64: 151–156.

Latham, G. P. and G. H. Seijts. 1999. "The Effects of Proximal and Distal Goals on Performance on a Moderately Complex Task." *Journal of Organizational Behavior* 20: 421–429.

Latham, G. P., H. Seijts, and D. Crim. 2008. "The Effects of Learning Goal Difficulty Level and Cognitive Ability on Strategies and Performance. *Canadian Journal of Behavioural Science* 40: 222–229.

Latham, G. P. and T. P. Steele. 1983. "The Motivational Effects of Participation versus Goal Setting on Performance." *Academy of Management Journal* 26: 406–417.

Latham, G. P. and K. N. Wexley. 1977. "Behavioral Observation Scales for Performance Appraisal Purposes." *Personnel Psychology* 30: 255–268.

Latham, G. P. and K. N. Wexley. 1994. *Increasing Productivity through Performance Appraisal.* Reading, MA: Addison Wesley.

Latham, G. P., D. C. Winters, and E. A. Locke. 1994. "Cognitive and Motivational Effects of Participation: A Mediator Study." *Journal of Organizational Behavior* 15: 49–63.

Le Agenzie Pubbliche. 2006. *Public Agencies.* Rome: Rubbettino Editore.

Locke, E. A. and G. P. Latham. 1990a. *A Theory of Goal Setting and Task Performance.* Englewood Cliffs, NJ: Prentice Hall.

Locke, E. A. and G. P. Latham. 1990b. "Work Motivation and Satisfaction: Light at the End of the Tunnel." *Psychological Science* 1: 240–246.

Locke, E. A. and G. P. Latham. 2002. "Building a Practically Useful Theory of Goal Setting and Task Motivation: A 35-year Odyssey." *American Psychologist* 57: 705–717.

Mace, C. A. 1935. *Incentives: Some Experimental Studies*. Industrial Health Research Board Report (Great Britain), No. 72.

Matsui, T., T. Kakuyama, and M. L. U. Onglatco. 1987. "Effects of Goals and Feedback on Performance in Groups." *Journal of Applied Psychology* 72: 407–415.

Metzenbaum, S. 2006. *Measuring to Comply, Measuring to Perform*. Burlington, MA: Cognos Incorporated.

Metzenbaum, S. H. 2006. *Performance Accountability: The Five Building Blocks and Six Essential Practices*. Washington, DC: IBM Center for the Business of Government.

Millman, Z. and G. P. Latham. 2001. "Increasing Re-employment through Training in Verbal Self-guidance." Pp. 87–97 in M. Erez, U. Kleinbeck, and H. K. Thierry, eds., *Work Motivation in the Context of a Globalizing Economy*. Lawrence: Erlbaum.

Miner, J. B. 1984. "The Validity and Usefulness of Theories in Emerging Organizational Science." *Academy of Management Review* 9: 296–306.

Mitchell, T. R. and D. Daniels. 2003. "Motivation." Pp. 225–254 in W. C. Borman, D. R. Ilgen, and R. J. Klimoski, eds., *Comprehensive Handbook of Psychology: Industrial Organizational Psychology*, Vol. 12. New York: Wiley & Sons.

Mone, M. A. and C. E. Shalley. 1995. "Effects of Task Complexity and Goal Specificity on Change in Strategy and Performance over Time." *Human Performance* 8: 243–262.

Morin, L. and G. P. Latham. 2000. "Effect of Mental Practice and Goal Setting as a Transfer of Training Intervention on Supervisors' Self-efficacy and Communication Skills: An Exploratory Study." *Applied Psychology: An International Review* 49: 566–578.

Olivero, G., K. D. Bane, and R. E. Kopelman. 1997. "Executive Coaching as a Transfer of Training Tool: Effects on Productivity in a Public Agency." *Public Personnel Management* 26: 461–469.

Pinder, C. C. 1984. *Work Motivation: Theory, Issues, and Applications*. Glenview, IL: Scott, Foresman.

Punnett, B. 1986. "Goal Setting and Performance among Elementary School Students." *Journal of Educational Research* 80: 40–42.

Renn, R. W. 2003. "Moderation by Goal Commitment of the Feedback-performance Relationship: Theoretical Explanation and Preliminary Study." *Human Resource Management Review* 13: 561–580.

Richardson, A. 1994. *Individual Differences in Imaging: Their Measurement, Origins, and Consequences*. Amityville, NY: Baywood Publishing Company.

Rynes, S. 2007. "The Very Separate Worlds of Academic and Practitioner Periodicals in Human Resource Management: Implications for Evidence-based Management." *Academy of Management Journal* 50: 987–1008.

Seijts, G. H. and G. P. Latham. 2005. "Learning versus Performance Goals: When Should Each be Used?" *Academy of Management Executive* 19: 124–131.

Seijts, G. H., G. P. Latham, K. Tasa, and B. W. Latham. 2004. "Goal Setting and Goal Orientation: An Integration of Two Different Yet Related Literatures." *Academy of Management Journal* 47: 227–239.

Selden, S. C. and G. A. Brewer. 2000. "Work Motivation in the Senior Executive Service: Testing the High Performance Cycle Theory." *Journal of Public Administration Research and Theory* 10: 531–550.

Sue-Chan, C. and M. Ong. 2002. "Goal Assignment and Performance: Assessing the Mediating Roles of Goal Commitment and Self-efficacy and the Moderating Role of Power Distance." *Organizational Behavior and Human Decision Processes* 89: 1140–1161.

Sue-Chan, C., R. E. Wood, and G. P. Latham. 2008. "The Effect of a Coach's Regulatory Focus and an Employee's Implicit Person Theory on Employee Performance in an Islamic and a Judeo/Christian Country." Unpublished manuscript.

Sundstrom, G. 2006. "Management by Results: Its Origin and Development in the Case of the Swedish State." *International Public Management Journal* 9: 399–427.

Tziner, A. and R. E. Kopelman. 2002. "Is There a Preferred Performance Rating Format? A Non-psychometric Perspective." *Applied Psychology: An International Review* 51: 479–479.

U.S. Office of Management and Budget. 2001. *OMB Circular No. A-11*. Washington, D.C.: U.S. Office of Management and Budget.

Winters, D. and G. P. Latham. 1996. "The Effect of Learning versus Outcome Goals on a Simple versus a Complex Task." *Group and Organization Management* 21: 236–250.

Wood, R. E., A. Bandura, and T. Bailey. 1990. "Mechanisms Governing Organizational Performance in Complex Decision-making Environments." *Organizational Behavior and Human Decision Processes* 46: 181–201.

Wright, B. E. 2004. "The Role of Work Context in Work Motivation: A Public Sector Application of Goal and Social Theories." *Journal of Public Administration Theory and Research* 14: 59–78.

Wright, B. E. 2001. "Public Sector Motivation: Review of the Current Literature and a Revised Conceptual Model." *Journal of Public Administration* 11: 559–586.

ABOUT THE AUTHORS

Gary Latham (latham@rotman.utoronto.ca) is Secretary of State Professor of Organizational Effectiveness at the Rotman School of Management at the University of Toronto and is President of the Society of Industrial/Organizational Psychology. His research interests include employee motivation, performance appraisal, and training. His current project examines the use of subconscious goals for increasing an employee's productivity. Latham is also examining ways of increasing organizational justice and organizational citizenship in the workplace. He received his PhD from University of Alron.

Laura Borgogni, PhD, is an Associate Professor of Organizational Psychology at the University Sapienza of Rome, Italy. Her research interests include self- and collective efficacy, goal setting, coaching, and performance management.

Laura Petitta, PhD, is a Researcher in Work and Organizational Psychology at the University Sapienza of Rome, Italy. Her research interests include organizational climate and culture, self- and collective efficacy, and human resource development.