Developments in Business Simulation & Experiential Exercises, Volume 8, 1981

GETTING TO FIRST BASE WITH
AN EXERCISE FOR WRITING AND EVALUATING OBJECTIVES

Max E. Douglas, Indiana State University

ABSTRACT

Given an organic work environment, the success or failure of many MBO programs hinges on the goal setting process. Quick's research has reinforced the importance of dyadic goal setting. Unfortunately, most students are exposed to MBO from an organizational and philosophical perspective. Minimal time is devoted to teaching students the phase of MBO which will most often challenge them at first - the goal setting process. The purpose of this research is two-fold: to review the nature of the goal setting process and secondly, to shire the results of goal-setting exercise used in an undergraduate principles of management course. It appears that most students can be taught to write verifiable objectives based upon a commonly accepted model. The exercise further demonstrates the role conflict and frustration that often accompanies dyadic goal setting. To this extent, this experiential exercise should place students on first base if they become challenged by participating in an MBO program.

INTRODUCTION

Scores of articles and texts have been written over the past two decades attesting to the strengths and weaknesses of management by objectives as a managerial philosophy. Regardless of the source one reads, this planning-performance process is usually comprised of three distinct phases:

1. a goal setting process whereby subordinates meet with their immediate superior to mutually determine individual objectives for themselves.

2. periodic performance reviews to determine the amount of progress employees are making toward their objectives.

3. distribution of rewards to organizational members according to their level of goal attainment (3, p. 35).

A cursory examination of these three basic steps in the MBO model would make it appear to be rather simplistic program to implement and manage. Perhaps this mirage has been a contributing factor to failure of MBO in many industrial settings. MBO is not a fault-free system than can be run on automatic pilot. Even though a growing minority of managers are still disillusioned with this results-oriented system of management, the failure of the system is not usually attributable to the program per se but to the incomplete and faulty applications of it (5, p. 69). Too often MBO is implemented in an environment that is not conducive to the participatory nature of the process. A more frequent error is the failure to recognize that MBO is a change process. With this in mind, and MBO program is more likely to succeed if it is complemented by an extensive emphasis on the organizational development process.

An internal ombudsman or outside consultant may very well be necessary in order to insure the continued success of an MBO program (2, p. 87).

As implied above, many failures of the MBO program may at least be partially attributable to the lack of training and preparation of managers regarding the different phases of this planning process. An integral and critical dimension of any MBO program is the goal setting interview. Quick's research has provided support regarding the benefits of training managers for the goal-setting process (9, p. 248). Superiors and subordinates must interact candidly so that objectives can be mutually discussed and employees can be reassured of their boss's support. If this objective setting phase breaks down at any stage, the entire MBO approach is jeopardized (8, p. 427).

With the move in mind, it seems that management educators can help minimize the failure of MBO by preparing students for the critical phase of goal setting via experiential education. Unfortunately most students are exposed to MBO from an organizational and philosophical perspective. They often study this management process by memorizing the various stages within the MBO model. Too little time is devoted to teaching the phase which will most likely challenge them at first -- the goal setting process. One of the main reasons that results-oriented programs are frequently abandoned is because of the difficulty in formulating appropriate, concrete and usable objectives (1, p. 626). Certo and Graf have given preliminary attention to the need to teach students how to prepare for the goal-setting interview (4, pp. 54-55). It seems logical that the next step is to allow students the opportunity to actually role play the two actors involved in this dyad--namely the subordinate and superior. The purpose of this paper is two-fold: first, to review the nature of the goal setting process and secondly, to share the results of goal setting exercise used in an undergraduate principles of management course.

The Goal Setting Process in Perspective

The process of establishing individual and/or work goals is certainly not new but its importance as a management tool has grown significantly since the evolution of management by objectives. Early goal setting research focused on the motivational affects of goal setting activities on performance (8, p. 242). For example, McClelland recognized the importance of the objective setting process during his attempt to develop achievement motivation among managers in underdeveloped countries. It was pointed out by McClelland that the success of his training program greatly depended upon getting his trainees to focus on specific, realistic, and practical goals rather than non-operational general statements. In essence, these managers had minimal competence in writing good personal performance objectives (6, p. 14).

Just whit is goal setting and how does it relate to MBO? Goal setting can be viewed as a process of superior-subordinate interaction through which work targets or aims are established for the subordinate manager. Objectives agreed upon during this process

are usually current and of a short-run nature normally a *year* or less. From the author's previous discussion of the MBO model, it can be readily seen that goal setting is really a critical subsystem of MBO. It is the first step taken in implementing an MBO program.

Many benefits accrue to the organization via the goal setting process. It usually encourages managers to focus on high priority objectives or highly significant results. Goal setting also complements many current management theories and practices especially MBO. Another spin-off of the objective setting process is that it normally forces managers to concentrate on WHAT should be achieved rather than becoming preoccupied with the MEANS of accomplishment (7, p. 38). In addition to these potential benefits, setting objectives for organizational members serves the following purposes

1. Performance expectations are better defined for both superior and subordinate.

2. Objectives provide a mechanism for coordinating organizational subsystems.

3. Objectives serve as a basis for feedback and evaluation of subordinate performance.

4. Managers can more easily relate rewards to results.

5. The objective setting process stresses change, improvement arid growth of the organization and its members (8, pp. 427-429).

As demonstrated in the above discussion, the core of the goal setting process is the articulation of a set of objectives mutually acceptable to both boss and employee. This negotiation between superior and subordinate during the objective setting interview is one of the most difficult stages of the MBO program. Even experienced managers view this face-to- face encounter as a challenging and arduous task (11, pp. 50-51). This apprehension and lack of confidence regarding the goal setting process reinforces the need to educate and prepare students for this critical phase of the work setting. The following discussion documents the administration and results of a goal setting exercise that could be used to prepare "managers-employees" for the task of establishing objectives within the framework of an MBO philosophy.

THE GOAL SETTING EXERCISE

Purpose of the Experience

This experience was designed to provide the management student with insight into a very critical dimension of management by objectives--the goal- setting process. One of the first assignments given to employees during the MBO process will often be to write personal. objectives as they relate to their organizational environment. This exercise gives participants an opportunity to prepare operational objectives according to a specific model prior to the goal setting interview. This early phase of the goal setting process is very important since many employees have great difficulty writing verifiable, realistic, and challenging objectives (9, p. 246). This experience should increase the students' confidence and awareness concerning the structural content of a well-written objective.

A simultaneous role facing the manager during the goal setting process is the negotiation and evaluation of his subordinate's objectives. Being a manager and a subordinate at the same time can often create high levels of conflict that result in dysfunctional behavior (9, pp. 241-242). This exercise allows the student to experience both sides of the coin". Even though the results may create above average levels of frustration and conflict, the experience per se should increase the student's awareness level and ability to cope in the real work setting.

Design and Administration of the Exercise

This experiential activity is divided into three parts. The first part of the exercise is a hybrid combining a critical incident with a role playing assignment (See Figure One). As part of their preparation, undergraduate management students were assigned a textbook chapter on the planning process which contained a rather detailed discussion of management by objectives. One entire class period was used to discuss the difference between objectives and strategies and how these concepts fit into the overall MBO model. An objective was placed on the board based upon the model provided in Part I of the exercise. Strategies were then developed to complement the stated objective. It was anticipated that each student understood that objectives were the WHAT of the planning process while strategies represented the means, to the end'. At the end of the class period, Part I was distributed to the students. Students were instructed to read the incident and assume the role of Bob Cordoza. Each student was expected to write three objectives according to the model provided in the exercise. The pedagogical goal at this point was to encourage students to concentrate on the WHAT of the MBO process. It was also anticipated that students would write objectives that were realistic and measurable. Part I in essence has been modeled after Schleb's approach which asserts that the FIRST part of the goal-setting process should concentrate on "the what--not the how'. (10, p. 18).

FIGURE ONE
WRITING OBJECTIVES EFFECTIVELY
PART I

Bob Cordoza began working for the marketing research division of Proctor and Gamble in 1979. P & G is one of the largest producers of consumer products in the United States. Some of their brands include Folgers coffee, Crest toothpaste, Pampers diapers and Tide detergent. Bob chose P & C because they have a strong belief in the marketing concept. P & G listens and reacts to consumer feedback. In fact, Bob's first assignment was a data collector for specific surveys pertaining to several consumer products. After less than a year, Bob was promoted to data analyst. In this capacity, Bob designs questionnaires and research projects. In addition, Bob coordinates the statistical analysis and interpretation of research results. Recently, Bob's immediate supervisor, Art Crane, visited with him about a new program being tested at Proctor and Gamble. The program is best known as Management by Objectives. Bob was very receptive to Art's visit as he was somewhat acquainted with MBO. Art requests that Bob make a list of three key objectives pertaining to professional growth. Bob interpreted professional growth to mean educational and career objectives. Bob is a bit confused, however. His knowledge of MBO has been more of an organizational and philosophical. perspective. How do you actually write a good objective--let alone evaluate it? Your task is to play Bob Cordoza's role. Based on model, given to you in class

(and reiterated below), develop three well written objectives for Bob. Bring these three objectives to class at our next meeting.

MODEL FOR WRITING OBJECTIVES:

To + Action Verb + Single Behavioral Result + Target Date

EXAMPLE:

To capture 35% of the lite beer market by March 1, 1981.

BOB'S OBJECTIVES:

1.

2.

3.

The author acknowledges, however, that strategies for achieving these goals must be discussed as part of the total goal setting process. To some extent, students were challenged with looking to the means by applying the criteria provided to them in Part II of the activity. It was the belief of the author, however, that these criteria should be introduced only after students had had ample opportunity to write clear and verifiable objectives. Consequently, Part II was distributed to students at the next class meeting. Students (16) were randomly assigned into four groups and asked to play the supervisory role of Art Crane. Criteria were provided so that each member of the group could critique the objectives of each respective colleague. Approximately 60 minutes was allowed for this part of the exercise. The author maintained a very low profile during the small group process. Toward the end of the class period the author concluded Part II and commenced Part III of the exercise.

PART II

Directions: Each member of your group should be prepared to share their written objectives. Remember, you have played the role of Bob Cordoza, marketing research analyst for Proctor and Gamble. Now each of you will assume the role of Bob's supervisor, Art Crane. You will need to analyze the objectives in detail. To help you evaluate the written objectives of each group member, I have provided a list of key questions that you should answer during this decision making process.

Key questions for evaluating employee objectives:

1. Is the objective constructed properly--e.g. Infinitive + Action Verb + Single Behavioral Result + Target Date.

2. Can you measure and verify the intended result of the objective?

3. Does the objective seem congruent with the departmental objectives?

4. Could you understand the objective if you had to implement it?

5. Is the objective realistic and attainable but still challenging?

6. Does the result of the objective appear to justify the time and expenditure of resources (either Bob's and/or P & G's) required to achieve it?

7. Does the attainment of this objective greatly depend upon the help and performance of other departmental or company members?

PART III

Directions: You have just recently completed playing the role of Bob Cordoza and Art Crane respectively. Listed below are the seven key criteria you used to evaluate each objective. Based upon your small group experience, would you please indicate which of the criteria was most difficult to meet when writing employee objectives. For example, did students have most difficulty with proper construction; or did Students have more difficulty with writing objectives which seemed congruent with the marketing research department. In short, rank the criteria based upon how difficult it was for students to meet that criteria. One means most difficult, two next most difficult, all the way to seven which means least difficult.

— Is the objective constructed properly--e.g. Infinitive + Action Verb + Single Behavioral Result + Target Date?

— Can you measure and verify the intended result of the objective?

— Does the objective seem congruent with the depart-mental objectives?

— Could you understand the objective if you had to implement it?

— Is the objective realistic and attainable but still challenging?

— Does the result of the objective appear to justify the time and expenditure of resources (either Bob's and/or P & G's) required to achieve it?

— Does the attainment of this objective greatly depend upon the help and performance of other departmental or company members?

Results and Conclusions

Part III of this activity is a self-reporting instrument which instructs students to rank criteria used during the "interview process" based upon how difficult it was for them to comply with that criteria. One met most difficult, two next most difficult, all the way to seven which met least difficult. (See Figure One, Part III). The rankings are shown In Table 1 below:

```
            TABLE 1
      CRITERIA RANKINGS FOR
      GOAL-SETTING EXERCISE

  _7_  Is the objective constructed properly--e.g.
       Infinitive + Action Verb + Single Behavioral
       Result + Target Date?

  _5_  Can you measure and verify the intended result of
       the objective?

  _2_  Does the objective seem congruent with the depart-
       mental objectives?

  _6_  Could you understand the objective if you had to
       implement it?

  _4_  Is the objective realistic and attainable but
       still challenging?
```

__3__   Does the result of the objective appear to justi-
        fy the time and expenditure of resources (either
        Bob's and/or P & G's) required to achieve it?

__1__   Does the attainment of this objective greatly
        depend upon the help and performance of other
        departmental or company members?

The "good news' is that most students seemingly learned to construct operational objectives. This is demonstrated by the rankings given to the criteria listed in the first, second, and fourth position in Table 1. The bad news" is that students became uncomfortable with the criteria that related more to the means of achieving their personal goals. Students frequently wanted more precise information during Part II of the exercise. It should be pointed out that although this is a limitation of the incident approach, many times practicing managers do not have complete information regarding organizational- sources, goal congruency and/or interdependency of subsystems. To this extent, the frustrations experienced by the students may increase their awareness regarding the need to be more cognizant of the total organization.

In short, most students appeared to have learned how to write a verifiable objective based upon a commonly accepted model. Students further experienced the role conflict and frustration that often accompanies the application of criteria during the goal- setting interview. Perhaps this classroom experience will place them on first base if they become challenged by participating in an MBO program.

REFERENCES

(1)   Allan, Peter and Rosenberg, Steven, "Formulating Usable Objectives for Manager Performance Appraisal, Personnel Journal, Vol. 57, November, 1978, pp. 626-629+.

(2)   Beck, Arthur C. and Hillman, Ellis 0., "OD to MBO or MBO to OD: Does It Make A Difference?" pp. 87-92 in Management: An MBO Approach by Heinz Weihrich and Jack Mendleson (Dubuque, Iowa, Kendall/Hunt Publishing Company 1978).

(3)   Certo, Samuel C., and Graf, Lee, A., Experiencing Modern Management: A Workbook of Study Activities (Dubuque, Iowa: Wm. C. Brown Publishers, 1980).

(4)   Graf, Lee, A., and Certo, Samuel C., "The Objective-Setting Interview in MBO: An experiential Approach," The Proceedings of the Seventh Annual Conference of the Association for Business Simulation and Experiential Learning, April, 1980, pp. 54-56.

(5)   Humble, John, "Avoiding the Pitfalls of the MBO Trap," pp. 69-75 in Management: An MBO Approach by Heinz Weihrich and Jack Mendleson (Dubuque, Iowa, Kendall/Hunt Publishing Company, 1978).

(6)   McClelland, David C., "Achievement Motivation Can Be Developed, Harvard Business Review, Vol. 43, November-December, 1965, pp. 12-17.

(7)   Mendleson, Jack L., "Goal Setting: An Important Management Tool", pp. 33-39, in Management: An MBO Approach by Heinz Weihrich and Jack Mendleson (Dubuque, Iowa: Kendall/Hunt Publishing, 1978).

(8)   Odiorne, George S. 'How to Succeed in MBO Goal Setting, Personnel Journal, Vol. 57, August 1978, pp. 427-9+.

(9)   Quick, James C. , 'Dyadic Goal Setting and Role Stress', Academy of Management Journal, Vol. 22, July 1979, pp. 241-252.

(10) Schleb, Edward C., Management By Results: The Dynamics of Profitable Management (New York: McGraw-Hill Book Co., Inc., 1961).

(11) Weither Jr., William B., and Weihrich, Heinz, "Refining MBO through Negotiations", pp. 49-54 in Management: An MBO Approach by Heinz Weihrich and Jack Mendleson (Dubuque, Iowa: Kendall/Hunt Publishing Company, 1978).