



# The dark side of consecutive high performance goals: Linking goal setting, depletion, and unethical behavior



David T. Welsh<sup>a,\*</sup>, Lisa D. Ordóñez<sup>b,1</sup>

<sup>a</sup> The University of Washington, Michael G. Foster School of Business, 574 Paccar Hall, Seattle, WA 98195-3226, United States

<sup>b</sup> The University of Arizona, The Eller College of Management, 405 McClelland Hall, Tucson, AZ 85721-0108, United States

## ARTICLE INFO

### Article history:

Received 23 June 2012

Accepted 31 July 2013

Accepted by: Maureen Ambrose,  
Scott Reynolds and Marshall Schminke

### Keywords:

Behavioral ethics

Unethical behavior

Goal setting

Self-regulation

Depletion

## ABSTRACT

Over 40 years of research on the effects of goal setting has demonstrated that high goals can increase performance by motivating people, directing their attention to a target, and increasing their persistence (Locke & Latham, 2002). However, recent research has introduced a dark side of goal setting by linking high performance goals to unethical behavior (e.g., Schweitzer, Ordóñez, & Douma, 2004). In this paper, we integrate self-regulatory resource theories with behavioral ethics research exploring the dark side of goal setting to suggest that the very mechanisms through which goals are theorized to increase performance can lead to unethical behavior by depleting self-regulatory resources across consecutive goal periods. Results of a laboratory experiment utilizing high, low, increasing, decreasing, and “do your best” goal structures across multiple rounds provide evidence that depletion mediates the relationship between goal structures and unethical behavior, and that this effect is moderated by the number of consecutive goals assigned.

© 2013 Elsevier Inc. All rights reserved.

## Introduction

A growing body of research suggests that there is a dark side to the widely used practice of organizational goal setting (e.g., Barsky, 2008; Jensen, 2003; Ordóñez, Schweitzer, Galinsky, & Bazerman, 2009; Schweitzer et al., 2004). Over 40 years of empirical research has documented the potency of goal setting as a means of increasing effort, persistence, and performance on a task (Locke & Latham, 2002, 2006), leading some to promote goal-setting theory as the most important theory in the organizational behavior literature (Miner, 2003). Yet in some cases, high performance goals may lead to undesirable outcomes. For example, goals have been linked to increased unethical behavior, particularly when individuals are close to meeting difficult performance targets (Schweitzer et al., 2004).

Demanding performance goals have become a common aspect of organizational life. In many organizations, after employees meet their goal for a particular period, they find that management has ratcheted up future performance targets (Ackman, 2002). Although the process through which a particular goal is set, pursued, and achieved has been well documented in the academic literature, relatively little attention has been paid to the impact of consecutive goals set within a period of time. In this paper, we seek to advance

behavioral ethics research on the dark side of goal setting by exploring the impact of various goal structures on unethical behavior over time. We provide a novel perspective by linking self-regulatory resource theories with the mechanisms underlying the pursuit of consecutive performance goals that may exacerbate unethical behavior. Empirical evidence suggests that individuals become depleted when they engage in tasks that require them to direct their attention, overcome their impulses, and persevere over time (Baumeister, 2002; Muraven & Baumeister, 2000). Surprisingly, the connection between goal setting and depletion has not been explored to date even though the process through which goals are theorized to operate includes many of these same mechanisms. Thus, self-regulatory theories may provide new theoretical insight into the connection between consecutive high performance goals and unethical behavior. This integration extends behavioral ethics research by considering how an important contextual factor, the use of high performance goals, may diminish self-regulatory resources thereby facilitating unethical behavior in the workplace.

The remainder of this article unfolds as follows. First, we review recent research on the dark side of goal setting and consider how various goal structures may contribute to negative outcomes. Second, we integrate research on the depletion of self-regulatory resources to theorize how various goal structures may increase unethical behavior over time. Specifically, we predict that the relationship between goal structures and unethical behavior will be mediated by depletion. Third, we explore the importance of consecutive goal periods as a moderator of the mediated relationship between goal structures, depletion, and unethical behavior at

\* Corresponding author. Fax: +1 (520) 621 4171.

E-mail addresses: [davidtwelsh@hotmail.com](mailto:davidtwelsh@hotmail.com) (D.T. Welsh), [lordonoz@email.arizona.edu](mailto:lordonoz@email.arizona.edu) (L.D. Ordóñez).

<sup>1</sup> Fax: +1 (520) 621 4171.

two points along the causal sequence. Specifically, we predict that the relationship between goal structures and depletion will be strengthened across initial consecutive goal periods as individuals become increasingly depleted. We further predict that the relationship between depletion and unethical behavior will be weakened during later consecutive goal periods as some individuals experience goal disengagement thereby reducing the temptation to cheat in order to achieve the goal. We test our hypotheses using a variety of goal structures in a multi-round laboratory experiment.

### The dark side of organizational goal setting

Over 400 goal-setting studies conducted over a 40-year period have demonstrated the benefits of performance goals (Locke & Latham, 2006). These studies have repeatedly shown that setting specific, difficult goals leads to higher levels of task performance than low or “do your best” goals across both cognitive and physical tasks. Goal-setting theory has become an important aspect of management education (Ambrose & Kulik, 1999) and is now a widely used organizational practice (Locke & Latham, 2002).

However, recent research has suggested that high performance goals sometimes lead to undesirable outcomes. Goal-setting scholars have suggested that in order to optimize performance, high goals should be set at the 90th percentile (e.g., Latham & Seijts, 1999). Thus, although a small group of people may experience heightened self-efficacy and satisfaction upon reaching the goal, a much larger group will not achieve the goal and consequently may experience negative effects such as stress, lowered self-esteem, and demotivation (Cochran & Tesser, 1996; King & Burton, 2003; Soman & Cheema, 2004). For example, Soman and Cheema (2004) demonstrated that not meeting a goal led to further poor performance related to both personal savings and meeting deadlines. For many participants, missing a goal led to worse behavior than having no goal at all. From this perspective, organizations must employ a balancing act between motivating employees and pushing them beyond their capacity to perform.

Additional research has suggested that goals can create “hypermotivation” by inducing a visceral state that leads individuals to act in ways that normally would be perceived as unacceptable (Rick & Loewenstein, 2008). Hypermotivation to perform can also lead to hypercompetitive behaviors. For example, Poortvliet and Darnon (2010) found that performance goals led to a competitive, individualistic mindset coupled with maladaptive and adversarial social behaviors. In contrast, mastery goals designed to improve one’s own performance led to positive interactions with others. In sum, an emerging body of research has connected the implementation of performance goals to a variety of negative outcomes. In the next section, we consider how various aspects of goal structure may influence the relationship between performance goals and unethical behavior.

### Goal structure and unethical behavior

Schweitzer et al. (2004) found that specific, difficult, and unmet performance goals motivated unethical behavior, both for goals associated with monetary rewards as well as “mere goals” with no external incentives. In the study, individuals who were closest to meeting their goal were the most likely to behave dishonestly. Similarly, Cadsby, Song, and Tapon (2010) found that goal-based compensation systems increased unethical behavior more than linear piece-rate and tournament-based compensation. One explanation for these findings is that individuals’ motivational calculus may shift depending on a goal’s perceived achievability. Barsky (2008) suggests that performance goals may also increase unethical behavior by creating high cognitive loads that focus mental re-

sources on goal attainment rather than moral standards. Consequently, individuals with high performance goals may have a narrowed focus and may experience lower levels of moral awareness than those with lower goals. Recent research by Welsh and Ordóñez (in press) provides empirical evidence supporting Barsky’s (2008) theoretical arguments. Welsh and Ordóñez (in press) first replicated Schweitzer et al.’s (2004) finding that high goals can increase unethical behavior and then extinguished this effect by using subconscious ethical priming to subtly trigger moral awareness within individuals who had high performance goals.

Barsky (2008) suggests that characteristics of various goal structures, including the presence, content, and attributes of goals, will influence the extent to which they increase unethical behavior. For example, the mere presence of a low goal may be insufficient to increase unethical behavior. In contrast, a specific, difficult goal may increase dishonesty (e.g., Schweitzer et al., 2004). The methods through which goals are set and the rewards associated with goal attainment may also influence subsequent ethicality. For example, assigned “all-or-nothing” goals may increase unethical behavior more than goals with incremental rewards (e.g., Jensen, 2003). Thus, various aspects associated with the structure of a single goal have been shown to influence unethical behavior.

Although the process through which a particular goal is set, pursued, and achieved has been well documented, negative effects associated with the cycle through which this process is repeated over time have not been empirically tested in a controlled environment. In most goal-setting studies, all participants are given a task to complete; one group receives a specific, high performance goal and another group is told simply to “do your best” (Locke & Latham, 1990). At the end of either the designated time period or the task itself, performance is assessed and the study is concluded. However, in an organizational context, goals are often used consecutively over time rather than in isolated circumstances. For example, an organization may set a performance goal for the quarter. At the end of the quarter, supervisors evaluate this goal and set a new goal. Similarly, an organization may set the goal of completing a specific project. When the project is done, a new project begins, and a new goal is set. According to goal-setting theory, high goals induce individuals to devote extra energy and align their behavior toward a specific target. However, some of the negative effects of overprescribed goals may have been obscured by a lack of research examining consecutive organizational goals over an extended time period.

In practice, organizations often use consecutive goals, in which the assignment of a new goal immediately follows the completion of an existing goal; however, goal-setting research has rarely studied consecutive goal periods (cf. Locke, 1982; Vancouver, Putka, & Sherbaum, 2005). Consequently, there appears to be a gap between empirical research focusing on the impact of a single goal as compared to a series of goals. In the next section, we propose a novel theoretical account of the negative effects of consecutive goals by suggesting that the mechanisms associated with goal-directed behavior may lead to diminished self-regulatory capacity when individuals are presented with a series of high performance goals. We then explore how this depletion of self-regulatory resources may exacerbate unethical behavior over time when individuals pursue consecutive goals.

### Applying a self-regulatory perspective to goal-setting theory

According to goal-setting theory (Locke & Latham, 2002), there are four mechanisms through which goals operate. First, goals direct attention towards goal-relevant activities. Second, goals motivate and energize individuals to put forth greater effort. Third, goals increase persistence and prolong the effort devoted to a task.

Download English Version:

<https://daneshyari.com/en/article/888588>

Download Persian Version:

<https://daneshyari.com/article/888588>

[Daneshyari.com](https://daneshyari.com)