CHAPTER-III

CONTROL MECHANISM IN TARGET SETTING
3.1. INTRODUCTION:

'Winners always have a plan, losers always have an excuse'. An organisation runs on four wheels: technology, target, information, and motivation. Lacuna in any of these factors can be detrimental to the progress of the organisation. The process of defining entity goals and implementing activities to attain those goals by efficient use of human, materials and capital resources is called management. Control is the last function of management, which is performed continuously. Control is a process by which a person or group of persons intentionally affects the actions of others in an organisation. It requires measurement of performance and it must be approached in a systematic and consistent manner. This chapter seeks to bring out the control mechanism in target setting. Targets affect performance by directing attention, mobilising effort, increasing persistence and motivating strategy development. Target setting is most likely to improve task performance when the targets are specific and sufficiently challenging. Target setting system is a combination of target setting machine and target achieving machine. The target setting machine in a company sets targets, which should increase the profit of the company. The target-achieving machine endeavours to achieve exactly the predetermined target through proper facilitation and corporational co-ordination.

3.2. MOTIVATION:

One man can take a horse to water but twenty men cannot make it drink! An organisation may provide the best tools, machines and materials
for working. But if the people are not motivated, the final product is likely to be of a poor quality. On the contrary, if someone is dedicated to his work, then he may even overcome the limitations of tools and other inputs required to turn out quality products. What makes a person tick has been a question on the minds of the managers from time immemorial. So many theories are propounded by different sociologists. Management is the science of managing resources, including the most unpredictable human beings, in a well coordinated efficient manner towards the achievement of the targets of the organisation. The factors which are important for people to be motivated to give out their best in the cause of the organisation they work for i.e. achievement, recognition, work itself and responsibility. Motivation is a six phased beginning from the inner state or need deficiency and ending with need fulfillment. The need hierarchy theory is a psychological growth which depends upon the strength of needs. It starts with basic needs, then safety, then love, then esteem and lastly ended with self-actualisation.

Managers and supervisors are warned against being soft with the people under their control. They are told to deal with the people firmly and not tolerate any breach of discipline. A mere smile in the morning by the boss can make a big difference to the mood of the people. A cheery Hullo sets the right tone for work. On the other hand a boss who would like to scowl and enter his office cabin quietly cannot make the right impact on the
people working under his control. A smiling face attracts persons, a smile can be infectious! So the control mechanism is tuned with the strength of motivation. The target setting system will be successful and productive by taking motivation into prime consideration.

3.3. LEADERSHIP:

"Leadership is the capacity to translate vision into reality" [W.G. Bennis]. Managers do things right. Leaders do the right things. The role of an inspiring leader in any given situation has been recognised from time immemorial. A leader's presence and his vision can make a big difference. The presence of a charismatic leader helps employees to rise from mediocrity to excellence. "Yatha Raja Tatha Praja" – the employees tend to be like the boss. The question whether a leader is born or is evolved and developed is a hotly debated issue. Each and every person has a degree of leadership quality which, in some persons can blossom forth. But everyone cannot become a great leader, granting that equal opportunities are given to all. A few gifted individuals assume the leadership of a group quite naturally. While most people can handle routine situations, it is only a few who can rise to the needs of the hour, in the face of what appears to be an insurmountable hurdle. The greater the crisis, the greater is the challenge and only a gifted leader can lead his people safely through uncharted territory.
Leaders have been depending on some attributes for quite a while. There is no novelty in any of the attributes but a study and adopting to situations has its rewards. For a few, these leadership qualities come naturally while others try to make efforts consciously to try these out. Some of the key attributes are –

❖ Trust your subordinates
❖ Develop a vision
❖ Keep your cool
❖ Encourage risks
❖ Be an expert
❖ Invite dissent
❖ Simplicity

The ‘seven keys to leadership’ are to be followed by the managers to become successful in target setting. A leader’s main role is to provide that vision which is so essential to inspire the workers in a team. A failure must be taken as a stepping stone to success. Without such an experience no team can work successfully, provided the lessons are learnt and improvements effected. A team is an ideal place for stars and ordinary people to work together cohesively.
3.4. TRANSPARENCY IN TARGET SETTING:

Transparency in target setting refers to the extent to which targets are stated specifically and clearly and are understood by those who are responsible for meeting them. It has been specified that a clear and unambiguous target for the employee helped in determining how to translate effort into successful performance. Transparent targets are related to higher levels of satisfaction with the superior and to a subordinate perception that the programme is important. It has been marked that for all types of subordinates, the superior are make sure that the targets established focused on significant and important areas of organisational and personal need, that the targets are clearly stated and that the relative importance of the various targets are specified. Specific targets provided the employees with more clear information concerning some end product. In a clear and unambiguous target, employees can determine how to translate efforts into successful performance by selecting an appropriate action plan. This in turn could also lead to an increase in effort since clarification of the effort-performance path could increase the expectancy that effort led to performance. Transparency in targets facilitates the upper level management to improve the attitudes and target oriented performance of the lower level managers.

3.5. MAGNITUDE OF TARGETS:

"Set me anything to do as a task and it is inconceivable the desire I have to do something else" [G .B. Shaw]. Targets are attainable but not too easy. It has
been marked that with various target difficulty levels. The problem-solving situation found 'high' and 'medium' level produced significantly better performance than 'low' targets. High targets, which are almost impossible to attain, produced extremely good performance when the target for a trial is presented prior to a questionnaire designed for determining the subject's aspiration level on that trial. Further, extremes in behaviour are not observed for medium or low targets suggesting sensitivity of high target to other conditions, which might cause rejection of a target.

Targets may range from very loose and easily attainable to very difficult and unattainable. Easily attainable targets failed to present a challenge to participants and, therefore, have little motivational effect. Very tight and unattainable targets led to feelings of failure, frustration, lower aspiration level and rejection of the targets by the participants [Dunbar-1971]. It has been studied that difficult targets led to higher motivation but beyond a certain point tightening targets reduced motivation. Thus, the process of target setting can have a very real meaning for target setter's achievement motivation. In order to a target function as a mechanism for higher achievement it is difficult, but not so difficult that there is a real risk of its not being attained. Targets, which are perceived as tight and impossible, to some extent, destroy motivation.

It has further marked that difficult targets led to better performance than easy targets. Shorter time limits led to a faster work pace than longer time limits [Bassett-1979]. The degree of commitment necessary to achieve an 'easy' performance level can not require a strong sense of a personal
responsibility towards the target, whereas a difficult or challenging performance level required a high degree of commitment on the part of the participant. Increasing target difficulty in an area already receiving effort, increase the effort allocated to the area as well as the expected performance in that area. Beyond a certain point, however, further increase in difficulty would drive the area out of the set of those receiving effort with resultant decrement in performance in that area. Clearly, an increase or decrease in effort in one area would result, respectively, in a decrease or increase in effort available for allocation to others assuming that total effort remains constant.

Maximum tolerance level of a discrepancy arises between present and future target difficulty. Within the tolerance interval, an increase in difficulty is followed by an increase in effort and hence performance; beyond it, further increase in difficulty has a negative effect on effort. A positively linear relationship between performance and difficulty where targets are accepted and negatively linear ones when they are rejected. When subjects are divided into low, medium and high acceptors, the last-named group accomplishes high performance even with impossible targets. Upto a certain level of difficulty, higher targets are accepted and resulted in improved performance, beyond that the targets are rejected and performance declined. The difficult targets are associated with very good and more difficult targets are associated with very bad performance. Interviews
indicated that good performance resulted when the officers thought the targets challenging, but bad performance required when they thought them impossible.

The setting of a specific target led to higher performance than either setting a generalised target such as “doing one’s best” or setting no target at all. Target specificity enabled the worker to determine how to translate effort into successful performance by choosing an appropriate action plan. Further, specific and challenging targets led to higher performance than easy targets, “do your best” targets, or the setting of no target at all; specific difficult targets led to higher level of performance than easier target. The increased motivations produced by a difficult performance target do not seem to dissipate under conditions in which the target is beyond the probable reach of most individuals it is assigned.

3.6. SKILL AND EXPERIENCE:

“You can not teach a man anything. You can only help him discover it within himself” [Galileo]. Training in target setting lead to an increase productivity and a decrease in a decrease in absenteeism. The worker, they suggested, are taught to set a task objective and they are given feedback concerning his performance. Target setting led to effective performance and effective performance led to job satisfaction, and job satisfaction led to a reduction in absenteeism. In the process of discussing with the employees the nature of these targets, the workers acquired specific knowledge
concerning their job tasks, their priorities and the most effective methods of accomplishing the tasks.

The importance of training in target setting is suggested as when a longer period of time are used to adequately test the full impact of target setting training among organisational personnel, the result becomes favorable. Reinforcement programmes or refresher training are needed to sustain task performance to improve satisfaction in the target setting programmes.

Targets are set according to the ability of the employees. They stressed that individuals must have the ability to attain or at least approach their targets. Exerting more effort does not necessarily influence task performance if improvement is totally beyond the individual’s capacity. The most practical way to set targets is to base them on each individual’s ability on the task. This ensured ready target acceptance and made it easy to control for ability when comparing different targets. Compatible combinations of participation and target emphasis are more effective in reducing job related tension compared to incompatible combinations.

Knowledge interacts with attitudes in the prediction of behaviour, and the degree of attitude-behaviour consistency is correlating positively with respondent’s educational level. Significant attitude-behaviour correlations are obtained only if there is a high correspondence between target and action elements.
3.7. EVALUATION OF TARGETS:

Knowledge of performance in relation to the targets appeared to be necessary if these are to improve performance, just as targets are necessary if feedback is to improve performance [Latham & Saari-1981]. The supervisors in the experimental conditions are having less employee absenteeism and more positive improvement in leadership behaviour than their control group counterparts.

Evaluations about the degree to which targets have been achieved are important motivational force. If members of an organisation don’t know the results of their effort, they have no basis for feelings of success or failure; furthermore, they may become dissatisfied. Individual reactions to feedback are mediated by a self-evaluative mechanism. When individuals are provided with feedback indicating that the performance level does not meet what is expected of them, the information triggered an internal comparison process, which determined how individuals reacted to feedback. Upon receiving negative feedback, individuals became more dissatisfied with their previous performance level, set higher performance targets for their future performance and performed at a higher level than those who received positive feedback or no feedback at all.

In the control mechanism, model of motivation in which a target is considered a desired state to which performance is compared. Any discrepancy between targets and performance created a corrective
motivation. Hence, target setting can be viewed as a dynamic process in which both self-set targets and environmental feedback can be incorporated into a system that monitored performance relative to desired state and adjusted subsequent targets, behaviours and strategies.

A positive motivational effect only when it led to the setting of a difficult performance target. But, a combination of target setting and feedback is superior to the target setting plus informal feedback condition in improving cost and safety performance and satisfaction with co-workers and supervisors. Target setting when combined with evaluation, it can be a powerful motivational force. Some form of feedback can affect performance and attitudinal variables. Comparison of actual results for the total organisation with targeted results provided meaningful information and indicated the need to analyse and investigate the variances. The action taken on the variances is possibly the most important aspect of the control system. Intended future activities can be affected or influenced by such decisions, which can be aimed at minimising and controlling future costs.

Target can be used to represent standards of both effectiveness and efficiency. It represents a standard of effectiveness in so far as it specified a set of desired outputs and standard of efficiency to the extent that it detailed the inputs deemed necessary to produce the specified outputs. Target variance offers a measurement of results and if they are available they could be unavoidable role in performance appraisal.
Organisational rewards can be connected with the results of the evaluation process, behaviour is likely to be oriented towards obtaining those rewards considered desirable by the manager. But, that accounting measurements are inevitably imperfect and the major requirement is an understanding of how accounting information can be used to mitigate the observed dysfunctional side effects of a strongly target-oriented style of performance evaluation. So a more flexible style of target use, which attach importance to target setting information but recognise its shortcomings, tends to cause less anxiety to subordinate managers, promote cooperation, and reduce dysfunctional decision making.

Target-oriented evaluative style leads to targets being more closely met. A rigid insistence on a target-oriented style of evaluation can cause target estimates to represent a lower standard of performance than a more flexible use of target setting information due to a manager’s natural desire to be cautious and to protect himself against unforeseen circumstances.

3.8. TEAM WORK:

“If everyone perceived every thing the same way, things would be a lot simpler” [Moorhead & Griffin]. The need for good team work in any organisation is being recognised more and more, especially with increasing competition in the market place. The art of pulling together is called team work or participation. There are two types of target setting i.e. participative target setting and assigned target setting. The method by which target are set is a subject of controversy in the target setting literature. Participative
target setting has been proposed as a technique, which are used both to enhance participant’s attitudes towards the target and to induce achievement of targets. Employees’ participation in target setting activities can have beneficial effects on employees’ performance. The underlying situations are:

❖ Subordinates who received a high participation level in the performance appraisal interview in general achieved a higher percentage of their targets, and

❖ Subordinates who work in a high participation work setting performed best on targets they set for themselves.

Employee target acceptance and commitment are greater when the employee and the manager together determine the employee’s target. Successful participation in target setting induced proper motivation and acceptance of specific targets and provided information to relate reward or punishment with performance. Participation also affect the amount of cohesiveness within a group i.e. the amount of ‘we’ feeling generated in an individual as a result of his association with others, or his attraction to or reluctance to leave a group. The degree and direction of group cohesiveness is very important in achieving the targets. Participation in setting targets also encourage managers to identify with the targets accept them more fully, and work towards their achievement. Participation is also reported to be a variable of primary importance in its own right. This is because
participation is said to affect a person's cognitive, affective and behavioural responses by increasing understanding, satisfaction and effort to perform task requirements. A substantial subordinate participation in decision making leads to increase in commitment, acceptance of targets and the motivation to perform. A significant relationships between budgetary participation and both job-related attitudes (job satisfaction, job tension) and target – related attitudes (motivation, attitude). Target setting participation tends to improve target-setting performance of target setting managers. Further, the participative decision-making have a strong positive impact on subordinate work motivation and satisfaction when it is perceived as instrumental in clarifying targets or paths to achieve these targets. The personality characteristics of subordinates provide an interaction to determine the effects of participative decision making on the job satisfaction and performance of subordinates. The impact of supervisory evaluative style on performance is moderated by target setting participation, which, in turn, creates a positive influence on performance. Participation not only leads to the settings of high target but it also increases the understanding of the variables, which have direct impacts on performance.

The major drawback of allowing individuals to participate in the target setting process is time. This variable would prove costly when the supervisor has a large number of employees reporting to him. Participation in decision-making often improves morale, its effect on productivity is
equivalent increasing it under some circumstances but possibly decreasing it under other circumstances. Planning aimed at consolidating the effects of all levels of management in predetermining the plans to be followed in the forthcoming period. Participation in the control process aimed at motivating people constructively; to generate within each participant a sincere desire to accomplish or even improve upon the standards of performance. People are motivated, not pressured to achieve their target through attaining their own levels of aspiration. This can only be done by practicing good human relations in the planning and coordinating stages of target setting process and the timely communication of results as a basis for improvement of performance. Active participation is not a panacea for all dissatisfactions in organizations. In some cases certain target has to be imposed by higher management level. In these cases the participants can accept them as their target, in the sense that they participated in deciding how these targets are to be achieved. Participation is effective only to the extent that it affects a person's target. Targets helped in clarifying the task requirements for an individual, injecting challenge and meaning into a task, and increasing effort and persistence. The superiority of participative target setting is partly due to a higher target being set. A higher target tended to produce greater effort. The acceptance of the targets and the motivation to attain them are greater when the employee is allowed to participate in the target setting process. The educational background is an important moderator of
the target setting condition-performance relationship. Assigned targets are readily accepted when they are not unreasonable or threatening. Participative target setting is not superior to assigned target setting. Participation is important only to the extent that it led to the setting of higher targets than in the case where supervisors assigned them the targets are actually higher in the participative condition, the perceptions of target difficulty are not significantly different from those obtained from the employees in the assigned target conditions who in fact has lower targets. The participation in setting the targets is no more effective that an assigned target where the assigned targets are realistic and are not based on whim or caprice. Only participative target setting led to performance increases that are significantly different from those in the do-your-best and control groups; but there is no significant difference between the performance of the participative and assigned target setting groups. It appeared that participation is important to the extent that it influences target difficulty and hence performance, but the target specificity and target acceptance can be attained as early through assigned as through participatively set targets.

Different studies indicated that participation affected performance only if it led to higher targets being set. Latham & Saari [1979] accepted the hypothesis that setting a specific target led to higher performance than urging people to do their best but do not find support for the hypothesis that allowing people to participate in setting their target led to higher
performance, more frequent target attainment and greater target acceptance than simply assigning it to them. This finding supported the conclusion reached by Latham, Mitchell & Dossett [1978] that participation in target setting is important to the extent that it led to the setting of higher target than that which is assigned by a supervisor. In highly ambiguous situations, employee participation in target setting not only led to higher targets being set but also to greater understanding of the effort and behaviour required than when the target is set unilaterally. Moreover, target acceptance is significantly greater in the assigned than in the participative condition. The subordinate in the assigned group are more likely than those in the participative group to say that target attainment would lead to favorable or rewarding consequences such as job security, increment, promotion and respect towards co-workers. Participation in target setting is important because it not only led to the setting of high targets but also to increased understanding of how to attain them.

There appeared to be two possible mechanisms by which participation can affect task motivation. First, it led to the setting of higher targets than is the case without participation, although, assigned targets can be set at any level the supervisor chose. Second, participation can lead to greater target acceptance or commitment than assigned targets. But it is concluded that there is no consistent evidence that participation in setting target led to greater target commitment or better task performance than assigned targets.
when target level is controlled, though it sometimes led to setting higher
targets than the supervisor would have assigned. There is no significant
difference in target difficulty between those with participative set target and
those with self-set targets. Target difficulty is held constant between the
participative and assigned target conditions by imposing a target agreed
upon by an individual in the participative condition upon an employee in the
assigned condition. There is no significant difference among the three target
setting conditions regarding target acceptance or actual performance. This is
true regardless of employee age, education, and position level.

3.9 COMMUNICATION:

"An organisation is more stable if members have the right to express
their differences and solve their conflicts within it" [Machiavelli]. It is
apparent that the dilemma of a manager is to find the right balance between
two extremes: an overstress on results in appraisal, leading to feeling of
injustice, and too little stress, leading to low relevance of the target and low
motivation. The key to finding this balance lay in upward communication or
just listening to the subordinate. Upward communication appeared to
prevent feelings of injustice in appraisal.

The communication between a target setter and his boss is the most
crucial to the functioning of the target setting system both for its motivation
and for its job satisfaction outputs. The way superior-subordinate
communication influenced target motivation and job satisfaction is through:
frequent person-to-person contacts about results,

the use of results in performance appraisal,

the use of department meetings, and

the creation of game spirit.

Superior-subordinate communication has positive effects on motivation without pressure symptoms when it used group methods of leadership, like the use of departmental meeting and most important of all, the creation of a game spirit or an atmosphere of sportsmanship around attainment of targets. The game spirit represented motivation of the target 'from within'. It depended strongly upon the leadership skills of the targets a superior, but also upon the way the system is organized: it presupposed a certain amount of free scope and the absence of rigidity, because a game required a free area to play in, a certain margin or scope or 'play'. Without this freedom, there can be no game spirit. Target executants needed free scope in target achievement.

Departmental meetings and get-togethers of superiors with subordinates have received a fair amount of attention from social scientists. It is related the use of department meetings among other things to the amount of influence, which employees felt they has on what went on in the organisation. It is very useful both from a business and from a human point of view to call them together once a week.
Meetings have more positive effect on the attitude component of target motivation than on the relevance component. It suggested that the meetings are in many cases not indispensable, but that to the extent that they are seen by the subordinate as valuable, they helped to create positive attitudes towards the system.

The decisive factor in creating game spirit in target control is the attitude of boss. Handling the subordinates as a team is important and use of meetings can be helpful in creating the team spirit. The subordinates can be taken as fellow players in the game, not opponents. The manager can show interest in his subordinate's results, and listen to them before he judged them. The most important characteristic for the manager is trust, which created the atmosphere of safety in which the team spirit worked. He can protect his subordinates from any undue pressure or alarming information by higher superiors, which would spell the game. In the absence of proper communication, gossip mills start churning out what the grapevine and other unreliable sources input. So the control mechanism is basically depends upon the proper superior-subordinate communications.

3.10. ACHIEVEMENT:

Targets are often used as means for affecting motivation, behaviour and task performance. Two characteristics that have received attention in the accounting literature are the specificity and difficulty level of targets. Target setting has motivational properties such that the acceptance of a
difficult target will lead to greater levels of performance than the acceptance of less difficult target. The utilisation of target as a motivational technique for enhancing task programme is one of the most thoroughly researched areas in management and organizational behaviour. Locke [1978] has argued that target setting is either implicitly or explicitly recognised as a component process of virtually every theory of and approach to work motivation. An interaction between task interdependence and target setting affecting intrinsic motivation. In particular, for the task involving pooled interdependence, assigning specific difficult targets increased intrinsic motivation above that experienced by subjects who are assigned a general target. However, for the task involving reciprocal interdependence, assigning specific difficult targets decreased intrinsic motivation below that experienced by subjects who are assigned a general target.

The study made by Mento, Steel and Karren[1987] contributed additional support to the increasingly overwhelming evidence that target difficulty and target specificity or difficulty are found to be strongly related to task performance across a variety of tasks and in both laboratory and field settings. Shapira[1989] has discussed that hard target interfered with performance on chosen tasks especially when those chosen tasks are difficult. Hirst discussed the effects of setting targets on task performance in different task situations. The main hypothesis developed by him is that the effect of setting specific difficult targets on task performance depends
on the level of task uncertainty. It is argued specifically that where task uncertainty is high, setting targets is less effective in promoting task performance than where task uncertainty is low. It is reported from a field experiment which also supported although indirectly the notion that target setting affects performance through its influence on both effort and the direction of behaviour. Target setting apparently not only leads to an increase in effort but to the discovery of a more appropriate action plan. Some researchers have differentiated between the individuals with high achievement need and individuals with low achievement need. Singh [1972] found that students with high achievement need set higher targets over repeated trials of a mathematical-clerical type task than do students with low-achievement need.

Steers [1975] in his study of female supervisors found that performance is related to feedback target specificity only for high-need-achievement individuals. Participation in target setting is related to performance only among low-need-achievement supervisors. An earlier study by Vroom [1960] showed for persons with a high need for independence that the extent of their psychological participation in decision-making is significantly associated with the performance but not significant for the persons with medium or low independence need. Hofstede [1968] found that non-authoritarians have a positive attitude to life in general and to the target setting system in particular. They felt that their
target is legitimate. They are more positive to the ideas of using standards instead of arbitrary ways of managing.

3.11. REWARD SYSTEM:

"In any organisation, there are the ropes to skip and ropes to know" [R. Ritti & G. F. Louser]. There is no motivational force as powerful as a wage system which related individual earnings directly to output by means of a formula linking performance to a predetermined standard. Rewards or incentives are contingent on accomplishing the target. Rewards give more favorable attitude in employee's judgments, recognition and recommendations. Managers who exhibited a budget-constrained style and placed primary emphasis in their evaluation of subordinates on target achievement tended to provide appropriate reinforcement only for those individuals who are heavily involved and influential in the target-setting process.

A subordinate is said to have a balanced cognitive structure if his attitude towards his superior, is unfavorable and both he and his superior maintained other attitudinal orientations that disagreed completely. The impact of manager evaluative style on performance is moderated by budgetary participation, which in turn exerted a substantial positive influence on performance. For performance appraisal the two major criteria which can be considered important are efforts and results. Judging by results without taking efforts into account can be unjust. The consequences
of an overstress on results in appraisal can turn out to be serious. It can create in subordinates a tremendous fear of failure with all the adverse consequences of management by fear, risk avoidance, scapegoat, and manipulation of data so that results looked right.

The management can increase the tendency of the department head to aim at or below his target by increasing the positive reward associated with its attainment and increasing the negative reward associated with its non-attainment. Financial incentives has effects on performance only to the extent that they affected target setting behaviour, and that if target setting behaviour is constant, there can be no effect of the magnitude of financial incentives.

The presence of incentives can encourage workers to set performance targets that they would not set otherwise. One benefit of a well-run incentive programme is that it would facilitate employee target setting and target commitment. If this is correct, it followed that employee working in an incentive system that rewarded high performance can be more likely to formulate performance targets than employees working without any monetary incentives for high performance.

The rewards or incentives have no effect on performance outside of their effects on target setting. It is found that:-

❖ increases in performance are greater with incentives than with no incentives,
❖ increases in performance under the piece rate condition even though no targets are setting,
in the no target condition those subjects who set a personal target and are given an incentive increased their performance more than subjects who set a personal target and do not receive an incentive, also, subjects who do not set a personal target and who are given an incentive increase their performance more than subjects who do not set a personal target and are not given an incentive.

The functions of an incentive can be to increase the employee’s commitment to the target. But the employees in the high incentive condition reported slightly lower commitment to the target than do the subjects in the zero incentive condition. Thus commitments to the target due to the size of the incentive do not appear to be a factor influencing the results. The role of reward structure reinforcement in the relationship between target setting participation and performance and job satisfaction. Reward structure which is based on target achievement would represent appropriate reinforcement only for individuals who are largely responsible for the determination of targets, while a reward structure de-emphasising the target can provide appropriate reinforcement only for individuals for whom the target is largely imposed.

Employees who are given very difficult targets outperformed when paid a straight price-rate incentive. The monetary rewards are considered
adequate to motivate employees to do well on the target. Incentive payments are credited with making the experiment interesting and challenging.

Monetary rewards that encourage the attainment of competence on a target to enhance rather than decrease interest in the target. Money can be an effective method of improving performance in relation to given targets. It is found that the greater the proportion of unsatisfactory performing engineers, the more favorable are the engineering supervisor’s performance ratings and reward practices. However, no such contrast effect is seen when the scientists’ data are analysed. These findings generally supported the contention that satisfactory performances are the beneficiaries of higher performance ratings and greater rewards than unsatisfactory performers.

The effects of monetary incentives on targets and performance can be explained, in part, by their influence on the process of target choice. Firstly, monetary incentives influenced pay instrumentality and secondly, the cognitive components of target choice predicted self-reported targets and performance, suggesting that the process of target choice can be linked to expectancy concepts and processes. Thirdly, target difficulty and target commitment are positively related to performance. Fourthly, the targets mediated the effects of incentives on performance.

One trait that has been suggested to modify the attitude-behaviour or trait-behaviour relation is that of self-monitoring. According to self-monitoring formulation, an individual in a social setting actively attempted
to construct a pattern of social behaviour appropriate to that particular context. Diverse sources of information such as cues to situational or interpersonal specification of appropriateness and information about inner states, personal disposition and social attitudes are available to guide choice.

The self-monitoring notion is that the people who are low self-monitors showed stronger attitude-behaviour correlations than high self-monitors because they tended to guide their behavioural choices mainly on the basis of salient inner states rather than situational information. By means of the strategic choice of the surroundings within which to live their lives, individuals enforced correspondence between their attitudes and their behaviour. To the extent that individuals knew their attitudes and to the extent that individuals believed that their actions ought to be meaningful reflections of relevant attitudes, they enforced correspondence between their attitudes and their behaviours by choosing preferentially to enter and to spend time in, those social situations that disposed them to perform the actions implied by their attitudes.

For some individuals, willingness to enter and spend time in this social situation is a direct reflection of their personal attitudes towards affirmative action. Specifically for low self-monitoring individuals, those with favourable attitudes towards affirmative action are particularly eager to enter and facilitated the behavioural expression of their favourable
sentiments towards affirmative action. By contrast, low self-monitoring individuals with unfavorable attitudes towards affirmative action are distinctly unwilling to enter and to spend time in this social situation that not only would provide little support for them to express and act upon their own attitudes but that also might actually tempt them to behave in ways that would betray their own attitudes. And, in clear contrast to the choices of low self-monitoring individuals, the willingness of high self-monitoring individuals, to choose, to enter and to choose to spend time in this social situation is in no way whatsoever a reflection of their personal attitudes towards affirmative action. High self-monitoring individuals whose more nor less willing to enter and to spend time in this situation than are high self-monitoring individuals whose attitudes are favorable to affirmative action.

It is not only possible to predict accurately the future behaviour of low self-monitoring individuals from measures of their personal attitudes but also it is possible to focus the attitudes that they are to express in the future from knowledge of their current action. However, there might be costs associated with the low self-monitoring individuals concern that their behaviour accurately reflected their personal attitudes. When low self-monitoring individuals are induced to engage freely in behaviours that are discrepant from their attitudes, they are particularly likely to accept their counter attitudinal behaviour as representative of their true attitudes. After
choosing to perform a counter-attitudinal behaviour, low self-monitors manifested attitude change in the direction of their advocated position, whereas high self-monitors are unaffected by their attitude-discrepant behaviour. Only low self-monitors considered their behaviour to be reflective of their attitude and therefore only they can infer attitudes from prior behaviour.

Low self-monitors whose past behaviours towards the attitude object has been relatively invariant manifested greater attitude-behaviour consistency than either high self-monitors (irrespective of their prior behavioural variability) or low self-monitors whose past behaviours has been relatively variable. High self-monitoring individuals, who regarded what they do and what they believed as not necessarily equivalent, are relatively unaffected by their attitude-discrepant, are relatively unaffected by their attitude-discrepant behaviour. Their private attitudes tended to remain stable despite changes in their public behaviour.

In another test of self-monitoring mode, it is found that low self-monitors have stronger attitude-behaviour correspondence than high self-monitors only when the two groups reported that their past behaviours towards the attitude object has been relatively consistent. It is also found that individual differences summaries of past behaviours moderated the attitude-behaviour relation. Low self-monitors who reported relatively little variability in past religious behaviours manifested greater attitude-
behaviour consistency within this domain than do subjects in any other cell. The interpretation of this finding is that the individuals who considered their behaviour to be reflective of their attitudes, who therefore inferred their attitudes from their behaviour and whose past behaviours has been sufficiently invariant to allow a clear attitudinal inference to be drawn expressed attitudes that are strongly predictive of their letter behaviour.

The main effects of self-monitoring and past behavioural variability on attitude-behaviour consistency are generally weak. Thus, low self-monitors do not necessarily manifest greater attitude-behaviour consistency than high self-monitors.

Although low self-monitors might be on the average consistent across multiple attitude-behaviour domain than high self-monitors, this might not manifest greater consistency within any given specific domain. Only if past behaviour within that domain has been relatively invariant, would low self-monitors be able infer a clear attitude that would then influence their subsequent behaviour. On the other hand, if past behaviours has been variable, the clear, confident and attitudinal inferences would not be possible and low self-monitors can not manifest greater attitude-behaviour consistency, despite their dependence on internal cues for guiding behaviour.

Low past behavioural variability enhanced attitude-behaviour consistency only for low self-monitors. Thus high self-monitors, who do not
consider their attitudes, showed no elevation of attitude-behaviour consistency when their previous behaviours are relatively invariant.

Attitude to behaviour connection can be expected to be strong only when it has been preceded by a self-perception of attitude. This perspective suggested that attitudes are not mere justifications for past behaviours. They constituted an important mediating construct between past and future behaviours that exerted a directive influence on behaviours within the behaviour-attitude-behaviour sequence.

Just as it is the case that individuals differ meaningfully in the propensity to engage in attitude-guided behaviours, so too do social settings and interaction contexts differ in the extent to which they include individuals to use relevant attitudes as guides to action. It is in such situations that substantial correspondence between attitudes and actions is to be found.

Knowledge of one's general attitudinal orientation must be available to the individual before that individual can use attitudes as guides to action. Before an individual can use attitudes as guides to action, he or she must know his or her attitudes and the behavioural implications of such attitudes.

To the extent that individuals are confronted with the demands of coping with their immediate situations, with the situations attendant social and interpersonal pressures impinging on them, individuals can have little psychological time and/or energy to devote to any attempt to determine
whether they possessed any general attitudes of potential application to the specific behavioural choices that confronted them.

Low self-monitoring individuals can be more likely than high self-monitoring individuals to act upon their attitudes because attitudes of low self-monitoring individuals typically can be more available as potential guides to action than those of high self-monitoring individuals.

Peer group pressures, reference group as potential guides to action than those of high self-monitoring individuals.

Peer group pressures, reference group norms, role requirements, incentives and sanction in themselves and together appeared to be impossible to ignore. Accordingly, it can be these situational guidelines to action than individuals defined as relevant to their behavioural choices. These situational influences disposed actions that contradicted the dictates of one’s attitudes. Accordingly, as a consequence of molding their actions to the prescription of such situational forces, individual’s action often are clearer reflection of their current situations than their enduring attitudes.

Low self-monitoring individuals can be more likely than high self-monitoring individuals to act upon their attitudes because low self-monitoring individuals might regard their attitudes as more relevant guides to action than do high self-monitoring individuals. Low self-monitoring individual regard themselves as rather principled beings who value congruence between the private realities of their self-concepts and the
public realities of their words and deeds. These individuals are the ones who claimed to believe that their actions are true and accurate reflections of their attitudes. These individuals professed to value consistency between what they believed and what they do. For low self-monitoring individuals the presence of available knowledge of their attitudes are sufficient to induce them to adopt, on their own, a "believing means doing" orientation that made them, in turn, to produce correspondence between their attitudes and their actions.

By contrast, high self-monitoring individuals regarded themselves as somewhat more pragmatic creatures. These individuals are both willing and able to fit situational and interpersonal specifications of behavioural appropriateness [Snyder & Monson-1975].

Low self-monitoring individuals characteristically manifested substantial correspondence between their attitudes and their behaviours because they characteristically defined their attitudes as necessarily relevant guides for choosing their actions.

3.12. ATTITUDE BEHAVIOUR CORRELATION:

Targets are achieved through the critical step between the setting of a target and its acceptance. Therefore, it is assumed that the individual could be persuaded to accept the target, the performance would be close to the target. The acceptance of target by the targeted individuals depended upon the nature, attitude, personality, age and experience of an employee.
Personality affects regularities and consistencies in the behaviour. These predictabilities make distinguish individuals from each other. The reaction of a target setter to participation can be shown to be influenced by his personality or culture i.e. authoritarians are less motivated by participation in target setting than non-authoritarians. The mental and neural state of readiness, organized through experience, exertion a directive or dynamic influence upon the individual’s response to all objects and situations with which it is related. Attitudes is the likes and dislikes or affinities for and aversion to situations, objects, persons, groups or any other identifiable aspects of our environment, including abstract ideas and social policies. Attitudes are evaluative feelings towards particular targets. These are affective or emotional. This evaluative or affective quality is probably the most important characteristic of the concept of attitude. Attitudes referred primarily to favourability of the feelings towards particular targets.

The relationship between attitude and behaviour has long been a central issue in social psychology. The earliest systematic use of the concept viewed attitudes as the subject “par excellence” of social psychology. Following their lead the use of attitudes as a construct in social psychology became so wide spread that by the mid-1930. The concept is the “primary building stone in the edifice of social psychology”. During these early
decades, some writers are very critical of the use of the concept, particularly with respect to its relationship to behaviour.

Research has been continuing on examining configurations of attitudes or attitudes combined with other variables on which variations in overt behaviour are contingent. Behaviour depends not only on the individual's attitude but also on his perception of the response of others to his behaviour. Attitudes would be unrelated or only slightly related to overt behaviour than that attitude would be closely related to actions. The weak relationship between attitudes and behaviours that one would expect in the absence of extensive situational information. Attitude influences behaviour but do so in an indirect manner only through their impact on intentions. The sensitivity of the intentions-behaviour and attitude-intentions relationships specify considerations. With respect to the former, the relations are strongest when the corresponding variables are measured at comparable levels of specificity with regard to action, target, context, and time. With respect to the latter the relationship is strongest when the respondent is allowed to adjust intentions according to the degree of behavioural commitment he or she is willing to make. It appears that attitudes and intentions correspond the action for target, context and time. Hence, attitudes are subjective and each weighed on its relative importance, and is assumed jointly to determine behavioural intention of the individual in the organization. The more that attainment of a behavioural target is viewed as
being under volitional control, the stronger is the person's intention to try. Several factors have been postulated to affect the magnitude of the relation between attitude and behaviour measurers. The occurrence of behaviour frequently depends upon the successful completion of a sequence of prior events.

Even when specific measures of attitude are employed, the attitude-behaviour relationship is weak. This state of affairs led to the development of theories that included variables other than attitudes in the prediction of behavioural intentions and behaviour. It has been viewed that some norms also influences a person's decision to perform behaviour.

The importance of attitudinal factors in the determination of behaviour can be a function of structural characteristics of the relevant attitudes. The value of assessing both the affective and cognitive components of an attitude before attempting to make behavioural predictions. Consideration of affective-cognitive consistency is intended to supplement issues emphasized in most past research on the attitude behaviour correlation. It has focused on the importance of other dispositions and situational factors in addition to attitudes in the determination of behaviour. These "other variables" approaches have made an important contribution, but it seemed probable that through consideration of the structural characteristics of attitude, the prediction of social behaviour can be improved further.
Attitude emerged as merely one factor shaping behaviour in real situations. Other factors are the numerous situational variables – the psychological, social and cultural influences in the situation of action - that played a part in guiding overt behaviour decisions. There is no reason to expect any single variable to predict actual behaviour; there is every reason to expect combinations of variables to provide such prediction. Persons are less likely to have consistence with their attitudes if situational factors constrained their performance of behaviour or if they believed that they are unable to perform the behaviour implied by their attitudes. It has been seen that two factors, one’s attitude toward the action and one’s beliefs about the desirability to perform the action are predicted one’s intention to engage in the action. Attitudes do not predict a particular behaviour under all circumstances, since there are almost always situational forces working for and against behavioural realization of the attitudes. The situations are social and referred primarily to perceived group norms. A person would not necessarily behave in a certain way either when holding an attitude or when experiencing social pressure favorable to the behaviour, but generally would do so when individual attitude and group norms are mutually reinforcing. Reinforcement of attitude by social pressures implied group differences such that the effect of attitude among individuals experiencing social pressures would differ significantly from its effect among those experiencing little or no social pressure.
The prediction of behaviour from attitudinal variables can be improved by the measurement and consideration of certain qualities of the attitude. The qualities do not appear to influence consistency independently. Direct experience influence consistency only indirectly through its effects upon certainty and latitude of rejection. The amount of direct experience is significantly correlated with the size of latitude of rejection. When intra-attitudinal consistency affected the predictive power of the attitude, that affective-cognitive consistency exerted a stronger influence on the attitude-behaviour relation it then attitude is not well defined and is not held with much certainty as attitudes formed without behavioural experience appeared to be, than if the attitude is formed as a result of direct behavioural experience. It has been asserted that individuals frequently have a parliament of competing behavioural alternatives and corresponding attitudes and hypothesized that individuals would be most likely to perform the behaviour towards which they has the most positive attitude.

Further study on correlations has been conducted to measure the degree of relationship between attitude scales and behavioural criteria and concluded that a multiple act criterion is more predictable than the average predictability of single criteria. The predictability of single criterion is related to the domain representative ness of criteria and how much act performance correlated with rated social desirability of the act. Domain representative ness is uncorrelated with the correlation between act performance and social desirability. Perceived diagnostic properties of acts are also related to attitude-criterion correlations. The further research also
has been organizing to find the influence of public on changing of individual attitude. It also more persuasive to the condition for a better performance and encourage productivity. To obtain reasonable predictions of behaviour from attitudinal variables it appeared important to ensure correspondence in target, action and time elements.

It has also been proposed that when a person is confronted with two mutually exclusive and exhaustive behavioural alternatives, the prediction of behaviour can be improved by considering intentions towards each alternative. Further, it has been suggested that the difference between the two intentions are result in the most accurate prediction of the person’s actual behaviour.

3.13. ENVIRONMENT:

The emergence of public sector as a worldwide phenomenon during the 60’s and 70’s was essentially due to change contemplated in the role of state and India is no exception to this trend. India witnessed a steady growth of public sector in 50’s, which became faster in the 60’s. In the year 1951, the total number of central public sector enterprises which stood at 5 with an investment of rupees 29 crore, increased considerably in all respect during forth plan period. Today public sector enterprises constitute a major segment of industrial activity in the country. There is a Chinese proverb that if you are planning for a year sow rice, if planning for 20 years grow trees and if for centuries invest in men and culture.

A business organisation does not exist in vacuum. It exists in a world of concrete places and things, natural resources, important abstractions and living persons. The sum of all these factors and forces is called environment. The set of
factors i.e. economic factors, socio-cultural factors, legal factors, demographic factors and geographical factors, which are uncontrollable in nature and affects the business decisions of a company. The environment of the business is always changing and it is uncertain. The environment is divided into two groups – micro environment and macro environment. The micro environment consists of the forces in the company’s immediate environment that affects the performance of the company. It includes suppliers, customers, competitors and public. The relative success of the company depends upon how effectively they deal with these elements. The macro environment shapes opportunities and poses threats to the business. It includes economic, political, socio-cultural, demographic and technological environment. The macro environment is uncontrollable and need proper nourishment and attention on the part of corporate.

Business is the product of environment. There is correlation between business and environment. The environment influences business and in turn, it influences the political-legal environment, in turn economic environment. The environment is dynamic. The business policy should be dynamic enough to be successfully adaptable. The techniques of environmental analysis should be adopted by gathering relevant information round the globe for appraising the environment. Everybody who is somebody in the organisation will be responsible for the analysis and diagnosis of the environment. The top-level managers will have to assume the responsibility. The production manager is not in a position to contribute much because his time and energy is confined to the workshops. The best alternative is that an organisation should have a separate department for
analysis and diagnosis of the surroundings. From the foregoing analysis it is quite clear that the forces in the environment can affect the system of target setting. The control mechanism highly depends upon the environment. The target setting also related to the managerial philosophy, profitability and life cycle of the organisation.

3.14. PRODUCTIVITY:

In order to monitor the progress of an organisation, it is essential to make scientific appraisal of the efficiency at which resources are converted into goods and services. This measurement is recognized as productivity, which is nothing but the relationship between goods produced or service provided and resources consumed in doing it. Productivity therefore, in its very forms is stated as some variation of the ratio i.e. output: input.

It is our common perception that –

- **Increase in output increases productivity.** This is only true if costs have not gone up proportionately with output or at a greater rate.

- **Profit and productivity are synonymous.** But profit is the price recovery capacity of the organisation and hence productivity change may or may not change the quantum of profit of the organisation.

- **Cutting the costs improves productivity.** Of course, in depressed economic condition, cost control is highly essential for the survival. But that is not always possible especially in the long run which may make matters worse.
Lastly, productivity is not concerned with short-term profitability position of the organisation. It mostly aims at improving long-term profit through productivity improvement.

Why to study – while productivity is gaining increased attention in many countries, the problem involved in improving it is still meeting mixed reaction. The reason for the same is crippling national debts and for individual companies the daunting task of trying to survive in a fiercely competitive world. In these conditions pleas for concerted programmes of productivity improvement are met with such reactions as lack of time, confusion where to start, apathy and difference. But amidst these varying attitudes one can got ignore the productivity for the following reasons –

⇒ The competitiveness of the world market put forth challenge for survival unless right balance between price, quality and delivery is maintained.

⇒ The emergence of new updated and advance technology in producing products compelled the opposite side to go for facing competitions or else change produces quite new products.

⇒ All countries are met with resource crunch in terms of capital, labour, material etc. thus effective use of these scarce resources become the concern for every nation.

⇒ All the industrial houses consume significant proportion of national incomes by use of infrastructure facilities provided for their survival and growth. Hence, they also have got the responsibility to manage
productivity more effectively with a view to generate surplus and wealth to support the country.

⇒ The undesirable effect of inflation can be reduced by the efficient production of an adequate supply of goods and services. This is only possible with the help of higher productivity growth.

CONCEPTS – The productivity concept become meaningful only when it is applied for the purpose of improvement in an organisation. It embraces forms of productivity according as one or another factor of inputs – labour, capital, material etc. As a measure of performance, productivity study motivates improved efficiency, make comparison possible to serve as a tool for management, help formulation of price policies and sales predictions. Inter regional productivity comparisons facilitates setting of economic activity in judicious manner. Understanding of interrelationships between productivity and its various determinants allow administering of factors bearing on productivity change and initiate rationalised and scientific management.

**Performance = Individual attributes X work efforts X Organisational support**

Productivity ratio is said to be a measure of input efficiency, when all factors of inputs are added together and the productivity ratios are estimated that is known as productivity of the business as a whole.

Productivity improvement methodology (PIM) prescribes the following stages -

- 1) planning for productivity improvement
2) execution of plans

3) evaluation of productivity achievements

4) modifying plans if achievements are not as planned

and 5) planning for further improvement if achievement are as planned.

3.15. CONCLUSION:

The common man is both a producer and a consumer of goods and services. When he works for an organisation his interests are different from when he is a consumer. The public at large expects any organisation to work profitably so as to benefit a section of the society. There is no labour problem. Everything is a management problem. All think it is the failure of the management which is the root cause of each and every problem in the employer-employee relation. But that is not the whole truth. Managers do complain bitterly about the militant union leaders, arrogant workers and some black sheep among the employees who indulge in threat and violence. The world is becoming a global village. With the advances in communication, information and knowledge are flowing faster than even before. No country can afford to shut its windows to fresh ideas and
experiences. We should know how each country has tackled its problems and gain insight into newer ideas and concepts. The managers must try to find practical solutions suited to those conditions in which they are operating. The control mechanisms should be taken as powerful tools in the hands of the management and must be used judiciously. They have to look inwards to gain strength. The management also has to harness employees' power in the right direction to achieve the targets and productivity.

“Hire the best people and set them free” [J.R.D.Tata].
References –


