Unrealistic performance goals

It is smart to set reasonably lofty goals for employees. Then point them in the right direction and shout: Go get them! But is there a danger that these targets will be too high? One court recently let a jury decide whether the company's higher goals were discriminatory for more than a month. And as we all know, once the employer has taken them to the jury, it's an immediate loss... timely, money and brand damage. Jeffrey Willnerd was a loan officer at a bank in Nebraska for 21 years. He suffered from a voice disorder that affected his speech. His condition gradually deteriorated to the point where his voice was cut out unnoticed and he had to whisper most of the time. Its performance was not affected, but the bank was concerned about how customers might react. He never asked for accommodation. When it came time to set new performance targets for Willnerd, bank execs doubled their total annual loan volume from $2 million to $4 million. He was the only employee of the branch, due to this quota, and at the start, the $4 million loan target was larger than the branch ever created. The bank also referred home-equity borrowers to another bank employee. As expected, Willnerd began to lag behind that goal. He got a warning. His production then increased somewhat, but 90 days later he was still fired. The banks said Willnerd's production was insufficient and that they were reducing jobs for economic reasons. Willnerd filed a lawsuit under the Americans with Disabilities Act (ADA), which claimed he was discriminated against because of his vocal condition and received unattainable goals, then was terminated for failing to achieve them. The bank has tried to argue that it has clear reasons to quit-Willnerd failed to achieve the company's objective goals and the economy forced their hand. (Willnerd v. First Nat'l of Nebraska Inc., 8. What happened next and what lessons can you learn? The court sided with Willnerd and said: We have previously concluded that it is permissible for a jury to consider the imposition of an unattainable target as evidence of an excuse, because the jury can reasonably regard the target or production quota as an effort to establish an employee as a failure. The court took into account the bank's inability to impose quotas and the consequences on non-powerful personal bankers. This inequality, the court said, undermined the bank's argument that it chose Willnerd for termination because of performance concerns. His case was further strengthened by the fact that bank executives admitted that they had discussed Willnerd's voice condition and were concerned about its impact on customers. 3 Lessons learned without going to court1. Avoid over-the-moon goals. Never set targets that are so close to the moon that they are out of reach of an employee. The courts look more closely at whether performance targets are actually being used to increase productivity or whether they are set as a pretext for termination on the basis of discrimination.2. Follow the rules of the same work, the same goals. If you set goals one employee, look through the organization chart to see who else will be affected, and set these goals for those employees as well. In this case, the court looked at similarly placed employees and wondered why the bank had decided to impose radically different quotas on him.3 Zazip. No employment measures should be based on the protected characteristics of an individual, including his disability. The court noted that when the bank discussed Willnerd's voice of disability during the termination decision, such a discussion could be sufficient evidence for the jury to allow the bank to open its vault door and give Willnerd free rein to get home the loot. When one of the world's largest energy companies, Enron, went bankrupt in 2001, it sent shockwaves into the corporate world. Revelations of systematic fraud, fraud and corruption throughout the organization have shown the devastating consequences of unethical behavior in organizations. The Enron scandal raised the fundamental question of why such behavior occurred - and became institutionalized - in the first place. One of the responses provided by both independent investigators and company officials was that Enron's goal-setting practices, which included setting difficult and specific performance targets for employees, were at the heart of the misconduct. Goal setting is one of the tools in place that managers need to increase employee motivation and performance. Goals are an integral part of most employee evaluation processes and are usually tied to wages, bonuses and bonuses. Yet they have been linked to unethical behavior – not only in the case of Enron and other corporate scandals, but also in a growing body of academic research showing that giving people specific, challenging performance goals causes them to cheat on tasks or misrepresent their performance. This has inspired us to explore more thoroughly the link between goal setting and unethical behavior. In particular, we wanted to solve one obvious question: If setting goals can cause people to act unethically, why is management practice in business still so popular? And given the widespread use of goal setting, why isn't unethical behavior more widespread? We propose that the answer rests on personality differences. While some people may act unethically when given a performance goal, others might resist the temptation to cheat. That's why we designed an experiment to test this idea. We focused on moral justification, or the tendency to portray an unethical act as in the service of some valued or moral purpose. We concluded that people with high moral justifications could use performance targets as an excuse for unethical behavior, while people with low moral justification would not see the goals as justification for cheating. We have hired 106 full-time workers with different levels of years of service from a wide range of industries to complete our study online. All participants passed a moral justification test that will make them with statements like: It's okay to exaggerate the truth to keep your company out of trouble on a scale of one (strongly disagrees) to five (I strongly agree). A higher score in the test indicated a higher level of moral justification. The participants then completed two tests of unethical behavior. Half of them were given a challenging and specific performance goal in these tasks, while we told others to just do what they could. This research was recently published in the Journal of Business Ethics. In one of our tests, we asked participants to complete three rounds of a re-string task in which they had to create different words from a string of letters. We falsely informed them that we had not seen their answers and would have relied on them to report how many words they had made. This has given people the opportunity to cheat by exaggerating how well they have done. We found that participants who got a specific performance goal made up nine words of each string of letters (the level of performance we expected from the top 10% of people) were more likely to overestimate their performance than those said to do the best – but only if they scored highly in moral justification. These participants, with high moral justification and a specific goal, overestimated their performance by an average of nearly five words in three rounds of the task. People with low moral justifications did not exaggerate their performance, even if they were given a specific goal. In other words, only people prone to moral justification used the performance goal as an excuse to cheat. This suggests that while setting goals may actually have negative consequences on ethical behavior in organizations, only people with particularly sensitive personality traits may be susceptible to this effect. However, in our second test, we found that goals could increase an individual's willingness to act unethically, regardless of their level of moral justification. We asked participants to explain how they would respond to a realistic business scenario. Each person played the role of business manager and answered a number of questions about the business for which she worked. For each question, participants had to choose between unethical conduct that would receive financial rewards or avoid losses (by withholding information from customers about the durability of the product sold) and ethically acting that would prove less lucrative (by providing relevant information to customers). Here we found that participants who received a specific performance goal, how much income they had to earn, were almost twice as willing to use unethical methods to achieve it than those who received a vague goal, regardless of their moral justification. This means that even people with low moral justification are more likely to engage in certain types of unethical behavior when faced with a specific, challenging performance goal. Why moral justification matters just one of our tests? One possibility is that the unethical behavior we presented in each task differed in terms of severity. In the anagram of the task, participants had to explicitly lie about their performance, while in the business scenario of the task they only had to indicate the intention to act unethically, which could be considered less serious than actual misconduct. Having a challenging performance target might have been enough incentive for participants to say they would cheat on the task of the scenario, while only those who were able to morally justify their behavior could actually be willing to lie on the task of over-the-top. Given the prevalence and cost of unethical behavior in the workplace, our findings have important implications for organizations. While it would make no sense to abandon the practice of setting targets, it is important to consider the unintended consequences of the objectives and find ways to minimise risks. Since moral justification is used to rationalize unethical behavior that is necessary to achieve certain goals, organizations can limit the opportunity to make such justifications by emphasizing that achieving goals is secondary to ethics. This would require ethical behavior to be embedded in the organization's culture of telling employees the kind of behavior that is valued and accepted. Our findings also show that when employees are trying to achieve their goals, it might be wise to follow the methods they use. However, when considering the above consequences, it is important to bear in mind the limitations of our study. In particular, to ensure a strong empirical test, we used an experimental design that does not capture the context of the actual working environment. If someone is thinking about unethical behavior in a real situation with more significant consequences, the psychological barriers that prevent such behavior would most likely be stronger than in an experimental context. Nor can we say that moral justification has caused individuals to act unethically. It is possible that individuals high in this personality trature chose to act unethically, and then justified their behavior retrospectively. There may also be other personality traits, in addition to moral justification, that could make people even more (or less) susceptible to cheating to achieve goals. Finally, the relatively small sample size in our research means that replicating a study with more people will provide more confidence in the findings. As stories of corporate malpractice, such as the recent volkswagen emissions scandal, continue to make headlines around the world, it is clear that the issue of unethical behavior in organizations persists and entails significant costs for businesses, customers, and society. Evidence from our research suggests that the combination of organizational practices and individual characteristics allows for this unethical behavior. It is therefore essential that researchers and practitioners identify procedures and features that increase the risk of misdemeanors and develop appropriate procedural, organizational, and personnel safeguards that can prevent the emergence of another corporate scandal. Developing.