

Abstract of thesis entitled:

The Dark Side of Goal Setting: How does goal setting motivate unethical behavior in organizations?

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Goal setting is widely used in organizations. However, the practice of goal setting may unintentionally convey the idea to employees that the organizations value ends or results more than the means by which goals are attained. The increase in organizational practices focusing on ends rather than means may create a permissive ethical climate in organizations, which may potentially inflate the number of employees' undesirable behaviors. This study examined how different goal assignment methods ("general do-your-best", "assigned", "participatively-set" and "assigned with monetary reward" goals) affect individuals' tendency to engage in unethical behavior, measured as performance overstatement. Results showed that, apart from energizing individuals to work harder and more persistently, goal setting can also encourage individuals to engage in unethical behavior in order to attain the goals. Specifically, we found that individuals were more likely to overstate their performance when they participated in setting their goals or when they were assigned a specific goal with monetary reward for goal attainment, than when they were simply assigned a specific goal or were asked to try their best. Individuals were also found to have a higher tendency to engage in unethical behavior when they were nearer to their goals. Implications for the business were discussed.