

**Public Organization and Management**  
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**Lecture – 21**  
**Goals, effectiveness, and Performance - I**

Hello dear learners, I hope all of you are doing well. Just to give you the brief overview that we are discussing at the moment theme 2 in this course and the modules which are of focus in this particular theme are module 4 to module 6. In the previous week, we have discussed about module 4 which was on accountability and control. In this week, we are going to talk about another important topic which relates to the functioning of both public and private sector organizations is to do with organizational goals, effectiveness and performance. This particular module is also important in relation to the module that we have done in the previous week of accountability and control because accountability and control mechanisms are also very closely related with the aspects of organizational goals, effectiveness and performance. So, in between the discussion in this particular module, I will keep referring to the material that we have discussed.

In the module number 4. So, let us continue this particular session on Organizational Goals, Effectiveness and Performance. The contents of this particular module are based on the text entitled Understanding Public Organization and Management by Rainey, Fernandez and Malatesta. Various other references are also being used, various research papers, various frameworks have been taken to demonstrate the concepts and examples from the different organizations to talk about the concept of organizational goals, effectiveness and performance which I will keep on sharing with you as the session goes on because I have given the references. But largely you will see that the contents will be largely based on some of the frameworks which Rainey, Fernandez and Malatesta have used in their textbook. So, let's continue. So, in terms of the contents of the course, what we will be focusing on, the focus is on the organizational performance and performance is very much aligned into the idea of organizational goals. Because, when we talk about the aspect of the goals and goals that the organizations strive to achieve, that's basically we are talking about in terms of performance outcomes.

So, how the goals are being set, what is the meaning of goals, why organizations exist, what are the purposes, all these things will be the part of discussion in this course. So, first of all, what we will do is, I will start talking about the organizations. and what are the goals and the purposes. Then we can also talk about some of the differences between public sector organizations and private sector organizations in terms of their goals and the performance criteria and so and so forth. first of all, we will talk about the goals in a very

generic sense and then we will talk about goals of public organizations and of course, the challenges related to the goal setting in the public organizations.

So, once we are done with these things, we will also talk about the research study of Rainey in terms of the goal ambiguity. We will talk about that model that they have given in terms of ambiguity. Once that is done, we will move to understanding the role of the behavioral theories of decision making and how it impacts the goals, pursuit of goals and goal setting. Then we will look into the aspects of organizational effectiveness, what are the criteria and measures to evaluate whether the organizations are effective or not. So, we will conclude this particular module by sharing research insights on managing high performance more specifically in the public sector organization.

So, I have taken two to three models of managing for high performance in the public sector organizations. So, we will look into some of the research, the frameworks, the theoretical frameworks which are available, which can tell us that how performance can be managed in terms of high performance in the public sector organizations. So, let us first of all start this discussion by talking about goals in a very general sense. Now, if you look at the context, irrespective of the context, whether the organizations, they are public organizations or they are private organizations, organizations which exist. All the organizations will have goals and they have purposes to achieve.

The organization exists because there is a purpose. They have some goals to achieve. So, let's talk about if we are talking about particularly the private sector organizations versus public sector organizations. So, you will say that private sector organization, one of the primary goal would be let's say to develop business, to grow business. And how the business growth is being taken care of? It can be taken care of by expanding the scope of their business.

It can be diversifying into new markets, come up with new products or services, innovation, increase in profits, sales or so many other things. But when we talk about in case of public sector organizations that what are the, you know, purposes of government and public sector organizations, so we largely see that the goals such as, you know, welfare of the community, welfare of the, you know, the citizens, meeting the demands of the citizens, you know, in particular, that primarily becomes the, you know, the purpose and the goals of the government sector, you know, organizations. So, we are going to talk about how these differences are related with the challenges and things like that. But before that, let us talk about first of all the organizations because that will also give some kind of indications to us that why we are talking about the goals and purposes. So, if you talk about the organization in general sense, what is the meaning of organization? What is an organization? So, we'll simply say, it's the group of people who are working together for the achievement of the common purposes or goals or we can say objectives.

So, the organization's purpose of existence is to achieve some kind of goals. So, we will look into that why organizations, what kind of goals and what kind of purposes are there because of which they particularly exist. Let us look into first of all some of the things. See, all organizations irrespective of the context I have just talked about that they have goals to achieve. they have purposes and they have goals to achieve so what happened is what kind of goals for the goal attainment the organization would require resources right resources from their environment right let's look at the example of for an NGO so if an NGO is existing and they have to pursue goals for example for the welfare of the rural area talking about maybe education the increase the standard of the education in some area And this is basically their goal is.

So, what happened is one of the important goal that they will look forward to is look for the funding, right, you know, in terms of acquisition of resources to do better for society there. also need help of the other partners in that particular community. That also is the acquisition in terms of partnership, resources reaching out to the various partners or collaborators to actually help these NGOs achieve the goals. So, focus on resources, acquiring the resources is also very important concept with respect to the organizational purpose and the goals. Also, if we talk about the public sector organizations or government is also about coming up with different kind of policies depending upon the demographic character of the nation.

For example, if you look at the very recent introduction of the healthcare policies for the senior citizen, that's another way of the organization's purpose in terms of why they exist. So, government organizations in terms of doing welfare, in terms of meeting the demands of the stakeholders, they'll keep on introducing new policies as per the demands of the nation. Another example could be skill development for the human resource development. There are institutes being opened, there are universities which are specifically focused on the skill development courses, vocational areas. So, that could be another goal of the public organization.

You see, because this goal is having, you know, an effect in series. One particular goal will be leading to another goal, you know, in terms of set. We'll talk about this, that, you know, when we talk about the hierarchies and the chains in the goal setting. But largely, at the hearing point, I'm talking about, you know, organization's purpose so first we talk about you know in terms of goal attainment they of course would need some kind of resources right they can always come up with the innovative new programs in terms of policies right or private organization if you look at they can always come up with the new products, new services, things like that. Also, if you look at the private sector organization because they are to increase the value of the people who are involved with them, various stakeholders.

So, in terms of shareholder, they have to increase the wealth maximization, ensure the wealth maximization. In terms of public organization, we have multiple stakeholders who are impacting the functioning of the government and the public organization. So, their also goals will be to how to satisfy the demands of the various stakeholders. So, that is another way of looking at it. At the same time, with the changing context, we talked about in this at length in the module number 3 on environment of the public organization, that with the changing trends in the outside world, external environment, the organization also have to bring in lot of changes internally to meet the demands of the changing expectations of the citizens, changing expectations of the customers with respect to the private organization. So, that's another goal of the organization. So, we have talked about this particular environment and the impact of the environment on the public sector organization at length in module 3. So, you know that there are no organizations which actually exist in the closed systems. So, the organizations are now openly interacting with the environments.

So, their activities are influenced by changing outside the environment of their organization and then they have to make changes inside depending upon what kind of changes are happening outside. So, another goal of the organization is to also focus on this change, where they are trying to maintain the balance between changing internal things depending upon what kind of things are happening in the things outside. Government organization, if you look at, they specifically look at the innovative ways to increase the impact of their public service delivery. If you look at the various kind of programs, you know, for example, hackathons. Recently, the government of India, they have, Ministry of Education, they have taken this particular, you know, innovative approach to you know, do these hackathons to find out the innovative ways and also, you know, sharing of the stories of the success of the policies of different states and this can be shared with other states in terms of replication.

That also is the way of how government is trying to focus on innovation, finding out innovative ways, how to create value. How to create value for public, you know, that's another challenge for, or another, I would say, the pursuit of goals for the public sector organization. So, what we are trying to say here is that irrespective of the context, the organizations have goals and they have purposes. Whether these are public sector organization and private sector organization. But now the question here is, because organizations, they have goals and they have purposes to achieve, it is also important that the organizations perform because it is very crucial.

Goal setting is one thing, having goals is one thing. Another thing is how organizations are implementing various processes so that the goals can be achieved. It has actually very important implications for the public. because let's say we talk about the government organizations so if the government organizations have the public policy and the programs for the welfare of the citizens and that's the purpose of the organization but if these

purposes are not achieved, if these purposes are not being taken care of seriously carefully the performance is not great ultimately it will have you know implications for the people so people's lives are dependent upon this thing For example, if you look at the private sector organizations, so what customer needs from the business. So if the organizations are not able to achieve their goal in terms of meeting the demand of the customer, so it has an impact on the lives of people out there.

In case of public organization, it is much more. When the goal of public sector organizations are not achieved properly, they have larger impact on that. For example, goals related to education. or goals related to healthcare facilities because they have purpose to ensure that each citizen of the country will get access to healthcare without any kind of discrimination. So, let's say if this particular goal is not being achieved in an effective way, what will happen? It is going to have an impact on the ultimate beneficiaries, who are looking forward to, who expect from the government to, work on these goals effectively so that the beneficiaries receive the benefit of it, right.

So, goal setting is one thing, having goals is one thing, but how the organizations are going to perform in terms of goal achievement, that's another important thing. But having said that, we say that we are talking about the goals and we are talking about its relationship with the performance because performance is important for goal achievement. But you see that there are challenges which are associated with the goal achievement. And that's how we say that does the context influence the challenges. Now, what is the meaning of context here? I'm talking about a distinction between the public sector versus the private sector.

Now, if we look at the goal setting in the public sector organization, when they said that they want to increase the shareholder wealth maximization. So, what happened is there would be clear-cut performance indicators. key performance indicators, key results areas that they can focus on, where they will see that kind of alignment with the performance and the goals. But if you look at the case of the public sector organization, apart from, instead of I would say that the clear-cut indication on the profits or when there are absence of the economic markets, we have discussed about this, the distinctive character of the public organization, what are the performance indicators? It's not only about providing the services, public service delivery. The goals of the public sector organization is also to ensure the efficiency in terms of providing the services at what cost.

It should be fair, just, it should be equity there in terms of how people are getting the benefits of the services. So, there in government organization, you will see that this goals to performance linkages, you will say there is a lot of difficulty. Now, this particular challenge, when there are no clear-cut connections between the goals and performance in the public sector organizations, what happens? These challenges will lead to certain kind

of inefficiencies because when there are no clear-cut guidelines for no clear-cut connection between the goals and the performance indicators you know in terms of the absence of the objective measures in terms of performance evaluation so these related to inefficiencies because The people outside will always have this kind of, you know, we talked about this in the first module, skepticism, about the government, the agencies that they are inefficient. So, when this kind of thing happens, what happens is there is a lot of pressure on public agencies to improve. And in this case, in the beginning also, in the first module, we talked about this thing, because of this lack of alignment between the goal and the performance, the linkages, what happened is, various kind of reforms have been talking about bringing in the kind of changes in the government and the public sector organizations, where there is continuous pressure to the government to bring in that kind of alignment in terms of performance indicators and goals.

In that case, we have talked about the aspect of new public management. This is one of them which we talk about following the business-like practices to increase the effectiveness of the public sector organization. Then in this case, in today's context, we're also talking about a lot of collaboration, the service delivery by third party, there's a hybrid governance model there. So, there's another talk about the concept of new public governance is there. So, various reforms over the period of time, then we're also talking about creating value public value management.

All these are the kind of reforms which are largely talking about, you know, putting pressure on the government to become more, you know, more efficient in terms of, you know, performance indicator. And then, of course, focus on changes in the public management practice. So, all these reforms we talk about, new public governance or new public management or maybe public value management, focus on digitalization in terms of the processes. The idea here is to focus on bringing the changes in the management practice in the public organizations. Now, these reforms which we just talked about, these reforms from time to time, they've talked about linking performance with the governance.

Right linking performance with the governance so for example uh the idea put forward by Christopher Hood in New Public Management where he talked about learning from the private style sector of management and application of the business-like practices in the public sector organization to public congressional have clear goals performance indicators business-like functioning. So, focus is much more on performance and making performance as an important part of the governance. So, the practices which include clear goal setting, performance indicator and then of course, the performance business-like functioning. So, you will see that these all jargons that we are mentioning over here, they are becoming inseparable from the various aspects of the governance. So, in the previous module, I also talked about when I was talking about the concept of accountability and control and we say that reforms, for example, performance manager evaluation reforms in the government of India.

So, they are also linked to increasing the performance standards and the performance indicators for improving the functioning of the government sector organizations. So, dealing with the inefficiencies, dealing with the various aspects of the government inefficiencies. We will see that these jargons of goal setting, key performance indicators, key results areas and monitoring, bringing in more transparency in the system, government becoming more responsible and responsive. So, these all aspects are becoming more inseparable from the various aspects of the government. That's what is the idea here, right? I hope this is clear.

Now, if I ask you, what do you think are the purposes of the goals in the organization? Of course, we have talked about this, but just little more, you know, what kind of, I have talked about goals in a very general sense, but what are the purposes of goals? Goals we know, goals we have said, you know, profit maximization can be one goal, welfare of the community is the one goal, but what are the purposes of goals in the organization? If goals are there, what it will do? to the organization. That is what we need to look into. So, what happened? See, organization is what group of people working together. This is what we have discussed about in terms of the understanding of the organization. Organization is the group of people working together.

Now, what happen is when goals are there, the purposes are there, what the goals will do is they will also give indication, direction to the people in the organization that how they should direct their own efforts towards the goals so that the performance can lead to the goal accomplishment. but if as a member of the organization i do not have clarity on the kind of goals my organization wish to pursue i will not have clarity on how should i align my efforts towards the goal accomplishment right so purpose of the goal is which you know it in this case you know giving the direction guidance clarifying the path to the members of the organization to find alignment between their actions and the goals. That's the purpose of the goals. So, that they can focus on putting in efforts to achieve these goals. Another thing is that also guide employees' behavior.

See, because goals also have important values. The purpose of the organization, if you look at, they also will talk about the certain values. Now, values, if there are values, if the goals expresses values, they also tell the members of the organization that what organization stand by. In this sense, what are the important values of the organization and they accordingly have to align their efforts in terms of bringing in changes in their own behavior. Let's talk about example of public sector organizations. So, public sector organization, the aspect of equity, fairness, justice and trust, they are very important values.

Integrity, very important values. So, if the organization is very strict on these value system and they stand by this value system, it also gives indication to the organizational members how to conduct in terms of their behavior, when they are given some positions,

how they should be performing their duty. So, very important advantage or I will say that importance of the goals in the organization. Not only that, in terms of public organization, we will say that it is important who are the people whom we are serving. In case of public sector organizations, we are talking about public at large. So, goals also let us understand the members of the organization that what actually the goals of the organization with respect to the people who we are serving.

For example, in case of the government organizations, the goal, the people who are the beneficiaries of the public policies and the programs are the citizens of the country. So, the goals also tell us who are the people the organization is dealing with. For example, I just talked about the introduction of the public policy programs depending upon the demographic character of the public. special kind of program for women, program for girls, upliftment of the standard of the education, public health care. So, depending upon different needs of the stakeholders, because of the cultural diversity, if you look at the country like India, So, you see there is lot of people expectation from the organization, public organization in terms of the purposes.

So, this is another important area that the goals also help the organization understand who they are serving. So, not only this thing, it also adds to the decision making. The goals also help the organization take care of the decision making in the organizations. Because they guide the behavior, they give the indications to the people that how organization should conduct, what kind of things they would want to pursue. So, decision making is another important factor which is the purpose of the organizations.

Now another important thing is goals are not ends in itself. There are multiple goals. There are multiple goals are there. The goals as Rainey mentioned always exist in hierarchies and chains. One goal leading to another goal. One goal leading to another goal. So there are multiple goals in the hierarchy and there are chains. One goal lead to another. So one goal is not an end in itself.

Number of goals are there. And also, the environment of organizations, they largely impact the goals. For example, the environment of public sector organizations, when there are a lot of stakeholders, expectations are different, you will see that there will be a lot of multiplicity of the goals there. Number of goals would be there. And goal, as Herbert Simon in his paper titled on the conception of organizational goals talk about, goal is one of the set of multiple goals.

There are multiple goals. So, when decision makers, they have to make a choice, they often confront with the challenges that there are multiple goals, which goals to prioritize and how to balance these particular goals. So, I hope this is clear in terms of what we are talking about prioritizing purposes of goals, balancing the goals. Let us look at the example of public organization and the challenge that they face while balancing the

conflicting goals. Let us say a public agency which has to approve the setup of a factory in some vicinity. So, they might face a dilemma of approving setting up a factory because the government's, in this case, the goal of the government is to increase the employment in that region.

So, when some business comes in, when some organization comes in, so they come up with a lot of the employment they will generate for the local people there. But with a waste, there will be another group of people, for example, environmentalist groups, which are looking forward that these people, when they come in, they set up the factory, they can actually sabotage the environment of that particular region. So, this environmentalist group is again this public agency that they should not allow this to happen. Now, you see there are conflicting demands.

One demand is the generation of the employment in that region. Another demand of the stakeholder is to that this factory should not be set up because it will lead to the environmental degradation and so. So, you see, this is only a very simple example which I have talked about in terms of conflict in the goals. So, how they will balance these goals, this is very common thing in the case of the public sector organizations. So, see in the cases of private sector organization also is the same thing, but in the case of public sector organizations, these conflicting goals are much more. Now, these conflicting goals will always have consequences for performance, whether to focus on let us say efficiency versus effectiveness.

We can also talk about short-term focus versus long-term focus. So, another important term which we I think maybe we will discuss in the module on NPM is about ambidexterity, organizational ambidexterity. Meaning is that the leaders of the organization and the organization sometime has to decide between whether they continue to do the business that they are doing, the work they are doing or explore the new ventures or diversify. So, balance, how to maintain balance with the existing activities and the explorative activities. So, these are some of the conflicting goals which has important consequences for performance, that's hence the importance of goal setting.

How the goals are to be set, that's the idea over here. Now, let's look at, in terms of the goal setting, what we are saying. The researchers, especially in the field of general management or if you look at applied psychology, these areas, if you see that, the researchers say that when the goals are clear, they are clear and also achievable goals but challenging goals, goals which are clear goals. often challenging goals, but at the same time they should be achievable goals. It should not be goals which are not achievable.

Achievable goals, it can lead to high productivity. and also when they are clear, we can establish the clear linkages between goals and the performance, the idea would be to, you know, to lead to the higher level of productivity, right. So, if you look at a very important jargon which is always discussed in connection with goals is the idea of smart goals, idea of smart goals, meaning the goals which are to be set, they should be specific, goal should be measurable, goal should be achievable, realistic and timely goals. So, if this is being taken care of, ultimately we can say that we have the goal sets which are specific, measurable, achievable and realistic and timely goals. This can also lead to reduce the confusion amongst the members of the organization that how they should align their efforts with the organizational overall goals and so that the goal achievement can be taken care of. So, this is the discussion, the very basic foundation I have given about the goals. So, we will continue this discussion in the next session with types of goals in the organization. I will see you in the next session with the types of goals.