Relevance of Goal Congruence and its Implications to Managers

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Abstract
This paper discusses the concept of goal congruence and its implications to managers of organizations. The paper posited that goal congruence is very important to the attainment of organization's strategic objectives and ensures coordination and motivation of all employees concerned. Managers should make untiring efforts to ensure the existence of goal congruence within their organizations.
Keywords: Goal congruence, profit making ventures

1. Introduction
It is been argued that the central problem in managing an organization is to integrate individual and organizational goals. Scholars have argued that individual and organizational goals are inevitably at odds with one another and that there is lack of congruence between the needs of employees and the demand of formal organizations (Farris & Butterfield, 1997, Witts, 1998).
Goal congruence is defined by Baron's Business Dictionary (2011) as consistency or agreement of actions with organizational goals. It identifies the managerial principle that all of a firm's sub-goals must be congruent to achieve one central set of objectives. Goal congruence is one key success factor if an organization is to achieve its goals; including profitability (Harrington, 2007).

2. Theoretical Framework
Goal congruence is achieved when individuals in the organization strive or are induced to strive towards the company goals (Borys, & Jemison, 2008). This assumes, of course, individuals are aware of company goals and the derivative performance criteria. The essence of a company's goals is conveyed by the planning process, which expresses these goals in terms of budgets, standards and other formal measures of performance. Management of organisations must tailor the planning activities to encourage goal congruence at various levels of management. According to Denison and Mishra (2005), to achieve goal congruence the following ideas are important:

- The firm should be viewed as pluralist entity where coalitions of individuals seek to express their own aspirations within the structure of the firm.
- Personnel cannot be viewed as people sharing the same goal, but also as people striving for such rewards such as power, security, survival, and autonomy.

While profit maximization has long been considered the single goal of the firm, in reality, companies pursue range of goals (Schein, 2006). For example, a reputed organization may emphasize multiple goals by stressing that organizational performance be measured in the following areas:

1. profitability
2. market position
3. productivity
4. product leadership
5. Personnel development
6. Pubic responsibility and
7. A balance between short-range and long-range goals.

The goals of firm may also conflict with one another, with individual and group objectives (Borys, & Jemison, 2008). A bargaining process may be necessary to reduce these conflicts in the goal setting process. In fact the budget may be considered as one of the key mechanism for stabilization of that process, that is, bargaining medium through which individuals and groups try to further their own goals. Individuals work in different hierarchies and handle different responsibilities and may have different goals. But they must come together as far as company's goal is concerned. The goals of the company should be the same as the goals of the individual business segments. Goal congruence also gives fair chance to employees to achieve their personal goals. Congruence was positively associated with involvement in work, and negatively associated with propensity to leave the organization (Farris & Butterfield, 1997).

3. Implications for Managers
Manager of organizations can promote goal congruence by putting in place clear common goals, or setting superordinate goals, and ensuring that every employee knows about these goals especially the parts of the goal

that pertain to them. When employees know the goals and they are encouraged to express their opinion about the goals and how to achieve the goals, they will be motivated to perform. Furthermore, managers must realign organizational incentives and reward systems to place more value on contribution to attainment of goals set (Bartmess & Cerny 1993, Scott & Guy, 1997). Consequently, managers must establish performance measurement system which is designed to assess individual contributions so that an individual is motivated to take action.

Trust in the relationship between managers and subordinates is one of the key requirements of goal congruence. According to Hart and Saunders (1997), management practices that build trust in a partnership include shared (preferably face-to-face) experiences, frequent interaction, shared information, and the transfer of organizational members to the partner. Managers should therefore build on these to achieve goal congruence.

4. Conclusion

In conclusion, goal congruence is a very important tool for all organisations to achieve their stated goals. Goal congruence ensures the achievement of organization's strategic objectives and ensures coordination and motivation of all employees concerned. Therefore, managers should make untiring efforts to ensure the existence of goal congruence within the organization.

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