

AN ANALYSIS OF GOAL-SETTING CHARACTERISTICS IN INDONESIAN CUSTOMS

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ABSTRACT:

This study aimed to investigate goal-setting characteristics in the Directorate General of Customs and Excise (DGCE) using the XXX Customs Office as a sample. Document review related to Performance Management System (PMS) was examined, and in-depth interviews with employees in-charge are conducted for data collection. The result showed that goal-setting in DGCE partially had met quality goal characteristics in a way that the goals are specific and unambiguous. However, they are not challenging. Regarding participation, goals are mostly self-set at the staff level while they are more assigned at the supervisor level. From the employee perspective, goal-setting is sufficient to help them focus their effort and also set the work standard. This study also found that performance-related feedback is provided informally or maybe worse, it was neglected. This study provides an initial understanding of goal-setting practice in DGCE for further system development. One implication is to increase the number of mandatory KPIs for staff level.

Keywords: Performance Management System, Goal-setting, Public sector, Indonesian Customs.

ABSTRAK:

Studi ini bertujuan untuk meneliti karakteristik sasaran kerja pegawai (SKP) atau indikator kinerja utama (IKU) pada Direktorat Jenderal Bea dan Cukai (DJBC) dengan sampel KPPBC XXX. Analisis terhadap dokumen terkait pengelolaan kinerja dan wawancara terhadap para pegawai yang bertanggung jawab atau mengetahui proses pengelolaan kinerja yang dilakukan. Hasil studi menunjukkan bahwa sasaran kinerja pegawai telah memenuhi kriteria, yaitu jelas dan tidak ambigu. Namun, SKP dan IKU masih kurang menantang. Terkait partisipasi, sasaran kinerja kebanyakan ditetapkan oleh masing-masing pegawai pada level pelaksana dan lebih banyak yang ditetapkan oleh organisasi pada level pengawas. Dari perpektif pegawai, penetapan SKP atau IKU telah efektif dalam hal membantu pegawai untuk fokus terhadap tujuan organisasi disamping memberikan standar atas penyelesaian pekerjaan. Terkait umpan balik diberikan secara informal atau malah lebih buruk, tidak diberikan sama sekali oleh atasan. Studi ini memberikan pemahaman pendahuluan atas proses penetapan sasaran kinerja di DJBC sebagai landasan dalam perbaikan sistem pengelolaan kinerja. Memperbanyak jumlah IKU mandatory bagi staf menjadi salah satu implikasi.

Kata Kunci: Sistem Pengelolaan Kinerja, Penetapan Sasaran Kinerja, Sektor Publik, Bea Cukai.

1. INTRODUCTION

It is people's performance within that drives the performance of an organization. As an illustration, in the automotive company, the more salesperson can sell cars, the higher would company revenue increases. Therefore, every organization focuses on system development to maximize employee performance. This study will refer to this as the Performance Management System (PMS) hereafter.

The role of goal-setting in the PMS is essential. It takes place at the very beginning of the PMS cycle; thus, become the foundation for subsequent processes: monitoring, developing, evaluating, and rewarding. A large body of research has shown that setting a goal is effective in improving employee performance (Locke & Latham, 2002, p.702). First, it increases productivity. Latham and Locke (1979, p.70) found that loggers who set goals downed more trees than counterparts. Second, it improves behaviour. Ludwig and Geller (1997, p.258) concluded that pizza deliverers complied with more safety riding regulations when they set specific related-goals.

Goal-setting application has also become common in the public sector. Despite its same efficacy in improving performance, goal-setting is moderated by situational factors which are quite different between countries and government institutions. For instance, Unites States of America (USA) legislators at the federal level tended to deliberately set vague goals as they serve multiple stakeholders' interest. In contrast, the local level government employees showed the opposite (Latham, Borgogni, & Petitta 2008, p.398).

Meanwhile, in Germany, the goal level among civil servants are found low (Reemst, Hirsch, & Nitzl 2016, p.97). This finding implies that goal-setting has merely increased performance yet not optimized them.

Likewise, the implementation of goal-setting in Indonesian public sector might also have a different situation from other countries. The differences further potentially moderate goal-setting effectiveness.

Nevertheless, the study about goal-setting characteristics in the public sector, especially within Indonesia context, is still abandoned. Most researches discussed the impact of goal-setting, such as performances and motivation.

1.1. Research Objectives

For that reason, this study aimed to:

1. What is the goal-setting characteristics in Indonesian Customs?
2. How did employees perceive on goal-setting and its effectiveness?

This study is carried out in Indonesian Customs since they are one of few organizations that have implemented goal-setting, hence data needed is available.

1.2. Research Contribution

This research contributes as an additional insight into the goal-setting application in the public sector under a different national situation. To the organization, the results contribute to improving current PMS that eventually lead to officers' performance. It is also beneficial for managers to understand the subordinates' way of thinking about the goal.

2. LITERATURE REVIEW

2.1. Goal

Naturally, every employee has personal interests such as having leisure activities: chatting with colleagues, listening to music, watching movies, or reading a novel. Those, unfortunately, would decrease employee productivity and harm the organizational goal, mostly when it is done excessively during the working hours.

Therefore, setting goals is an essential policy in the workplace since it keeps employees staying on work; hence, productivity increase. From management's point of view, goal-setting gives assurance that employee's goal is in line with organizational goal. It implies that individual success should be followed with organizational success.

A goal is the object of an action. It is a point where the owner wants to go (Gibson et al. 2006, p.170). For an organization, a goal is an objective indicator showing the progress of vision and

mission accomplishment. Individuals who work for the organization also have goals to attain.

Goals create an active mechanism in employees' self (Locke & Latham 2002, p.706). First, it gives direction to which employee work. It means an employee knows what to do. Subsequently, that employee would expend energy to attain their goal. When two conflicting activities, goal-related and non-goal related, employees would be more likely to prioritize the former. Even better, the employee would have persistence in completing tasks. Finally, a challenging goal would induce the employee to develop a strategy that helps them achieve their goals.

There are three types of goals in the organization (Latham, Seijts, & Slocum 2016, p.272) are of behavioural, performance, and learning. The behavioural goal is a set of critical attitudes to job success, which employees must demonstrate in a given period (e.g., attendance for discipline behaviour). 360° survey and Behavioral Observation Scale (BOS), 5-point Likert-type rating scale, are two standard tools used in employee behaviour assessment (Latham & Seijts 2016, p.226).

The performance goal is the most common subject in goal-setting research, probably due to its easiness in collection and operation. Performance goals include sales per year, cost reduction, and customer satisfaction.

Learning goals is different from performance goal in that the focus is on strategy finding and execution related to task completion (Latham & Seijts 2016, p.227). To illustrate, instead of aiming 4.00 Grade Point Average (GPA) as a goal for college students, strategy identification and implementation to improve GPA can be set as the goal.

2.2. Previous Research

Although the research on goal-setting was first conducted late of the 19th century, the theory was not established until after mid of the 20th century (Latham & Locke, 2007, p.290). According to the theory, when given specific and challenging goals, an employee will perform better than when they are assigned a "do your best" goal, easy goal, or even no goal (Latham & Locke 1991, p.215).

The development and extension of goal theory were conducted by many researchers, among which notable are Locke and Latham themselves. Their well-known works are modelled into a diagram which is known as High-Performance Cycle (HPC) (Locke & Latham 2002, p.714). This model explains the goal and performance relationship (see figure 1).

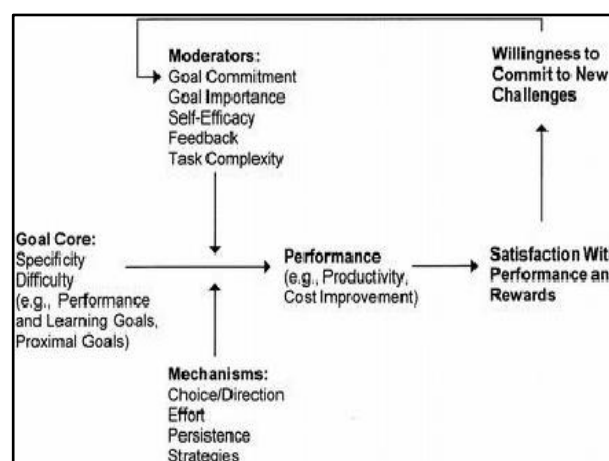


Figure 1. High-Performance Cycle

Source: Latham and Locke, New Developments in and Directions for goal-Setting research.

As clarified by Klein et al. (2002, p.889), commitment has a strong positive relationship with performance, especially in challenging goals case. In a condition where engagement does not present, a challenging goal does not lead to high performance.

Goal importance also moderates the goal-setting effect on performance. A study conducted by Seijts, Meertens, and Kok (1997, p.58) found that in an importantly-perceived task situation, an employee with low and very high goals perform better than those in an unimportant task. It is logical because individuals devote more to gain something more substantial.

Self-efficacy is the employees' belief in their ability to exercise tasks. Employees with a high level of self-efficacy usually set a more top target than their colleagues, thus perform better (Appelbaum & Hare 1996, p.40).

Feedback is information about how well employees attain their goals. Erez (1977, p.626) found that employees who know their interim performance result would perform better than those who have no information regarding performance progress.

A complex task requires more cognitive ability and skills to perform; hence its relationship with performance is negative. A meta-analysis study which was conducted by Wood, Mento, and Locke (1987, p.418) inferred that more intricate tasks would result in lower performance. If this is the case, specific, challenging learning goals should be employed (Latham & Seijts 2016, p.229).

Goal theory was also tested in different task situations such as cleaner, mechanic, servicer, and stocker (Kim & Hamner 1976, p.50). A sportsperson is also a typical profession to which goal-setting is applied (Healy, Tincknell-Smith, & Ntoumanis 2018, p.28). The results consistently support the theory.

Besides, goal-setting effectiveness is evident either being implemented in the private or the public sector. For example, Borgogni and Russo (2012, p. 181) studied goal-setting in a private telecommunication company in Italy and found a performance increase. Moreover, Latham, Borgogni, and Petitta (2008, p.398) found no differences in their study about goal-setting in the Italian public sector.

2.3. Goal-setting Core Characteristics

According to the Ministry of Finance regulation no. 467/KMK.01/2014, a goal must meet criteria, namely specific, measurable, agreeable, realistic, timebound, and continuously improved, which is abbreviated as SMART-C. Also, it emphasized the importance of feedback giving.

These goal characteristics are consistent with what is shown in figure 1. Two essential contents are difficulty and specificity. Goal difficulty is a perception of how hard a goal is to achieve, while goal specificity means clarity and explicit output (Locke, 1996, p.118).

Therefore, four aspects have become central attention in this study are of specificity, difficulty, participation, and feedback. SMART-C is categorized into specified aspects (see table 1). First, clear description, measurement, and completion time are related to goal specificity. Second, goal agreement, which indicates goal commitment and importance, is discussed as goal participation. Last, continuously improvement is represented in goal difficulty aspect.

Table 1. Goal's Core Characteristics

Criteria	Goal's Core Characteristic
Specific	Goal Specificity
Measurable	
Timebound	
Continuously Improved	Goal Difficulty
Agreeable	Goal Participation

Source: MoF Regulation No. 467/KMK.01/2014

2.4. Goal-Setting within DGCE

As MoF adopting the balanced-scorecard system, goal setting in DGCE is primarily focus on the organizational level, which covers four perspectives, namely stakeholder, customer, internal process, and learning and growth (Kaplan & Norton 1992). Each view consists of several strategic goals which are measured with key performance indicators (KPIs).

Once organizational KPIs are set, it is passed on the lower level continuously. As a result, not only has every employee got KPIs but also KPIs are in line with upper-level KPIs or organizational goals (see figure 2). This process is referred to as cascading.

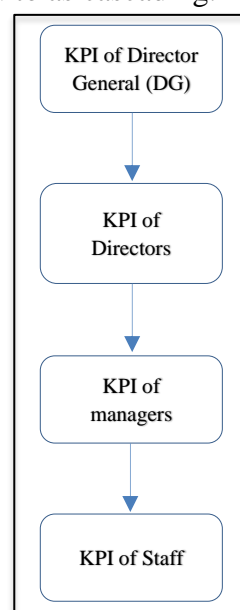


Figure 2. KPIs Cascading, Source: (Ministry of Finance Regulation No. 467/KMK.01/2014).

3. METHODS AND RESEARCH DESIGN

Both quantitative and qualitative approaches are used in this study to provide the most precise picture of goal-setting practice.

3.1. Population and Sample

The setting of this study is XXX Customs Office, which shares functions with other vertical units in DGCE that are Public Service Provider, Community Protector, and Revenue Collector. The number of XXX Customs Office is 85 or 5.17% of total DGCE employees.

Those employees fill in managerial and staff positions. The managerial roles comprise three hierarchical positions, from top to bottom are the head of the office, supervisors, and junior supervisor

Six on-probation employees only have worked for less than one year; thus, the performance report is not available. Therefore, the document review only includes seventy-nine employees. Their roles include goods inspector, customs document analyst, surveillant, and investigator.

Each unit has at least one employee who is appointed to administer and coordinate PMS implementation. These employees have also received training in PMS that makes them familiar with technical terms. Therefore, this study selects them as respondents in the interview round. Additionally, two supervisors are included in the sample.

3.2. Data Collection

This study used semi-structured interviews to obtain information regarding goal difficulty, goal specificity, goal participation, feedback, and effectiveness from the employee's point of view. Some open-ended questions like "Can you please describe goal characteristics within your unit?", "Can you tell me how goal-setting relates your performance?", and "How do you see your subordinates' performance?" were asked to respondents.

This study also conducted a document review. All PMS documents, including performance contracts, KPI operational guidance, and employee performance report, were examined to obtain data of goal characteristics: difficulty, specificity, and participation. About feedback, data were retrieved from *e-performance*, an internally-owned internet-based application.

3.3. Data Analysis

First of all, respondents' answers were recorded, and essential notes are taken during the interview. Subsequently, each conversation was transcribed and then coded into specified themes. Any other theme that emerges in the analysis would be reported.

From document review, a descriptive statistic about goal difficulty, goal specificity, and goal participation would support the interview finding. Finally, to find whether goal-setting is effective, this study would compare this year's KPI target and achievement with previous years.

4. RESULT AND DISCUSSION

4.1. Goal-setting Process

We found that goal-setting in XXX customs office process has complied with the regulation. First, the head of the office's goals is set. These goals then become the foundation for supervisors and other staff members in setting goals. Therefore, all organizational goals are fully cascaded to or supported by the bottom level.

More specifically, this study found that the goal-setting is carried out by employees in-charge in each unit. Having drafted the KPIs, they discuss it with the KPI owner and sometimes superior to get approval. The discussion form itself varies between units. One stated:

"In my unit, after drafting KPIs for all staff is finished. A meeting was held where the draft is presented to all owners. KPI Owner may "bargain" to lower the set target. Furthermore, it was usually approved."

Another respondent said that discussion is done informally:

"Typically, after I drafted my colleague's KPI, I talk to them explaining what their KPIs are. If they agree with the draft, they will sign it."

Only one respondent noted that the owner writes their own KPI.

"Each employee set their own KPI and submit it back to me. I then review the draft and ask them to revise if there is any mistake. Otherwise, it goes to the supervisor to get another review."

This study also found that although employee performance is measured using behavioural and task-completion approaches, only the latter has a specific target and written in the KPI document.

4.2.Goal Specificity

All respondents stated that performance goals are specific and clear. One respondent said:

"We are aware of this organization's expectations. We know what our duties are and how well we should perform them."

From KPI manual analysis, it can be inferred that the majority goals are clear and specific. KPIs are measured quantitatively using output numbers, percentages, or indexes. For instance, "customs clearance time for e-commerce merchandise" is 8.49 days.

However, this study found that some KPIs are not sufficiently clear. For instance, "administering customs declaration (CD) for dutiable goods timely." In this case, a specific time is not explicitly stated. Besides, the "administration" term is not clearly described; hence it could be any kind of jobs such as registration, archiving, or even both.

As a consequence, it leads to problematic measurement. The word "timely" induce multi interpretations, which could be one or any number of days after the work is completed. Further, the impact would be unreliable performance results.

Similarly, lack of clarity is found in "publicizing office's programs." Operational guidance does not provide an adequate explanation of the programs. Therefore, it may cause uncertainty. KPI owners might interpret it differently. They would think publicity should include all programs written on the annual plan, or, every activity, including incidental one.

About the behavioural aspect, it is inferred from the performance planning document that no behavioural goal is specified. It looks like a missed opportunity in an attempt to change employee behaviour. As argued by Lorencatto et al. (2015, p.314), quality goal-setting increased the likelihood of respondents to report success in the smoking cessation program.

However, setting behavioural goals could be onerous because of intangible characteristics. For example, if DGCE wants to apply a goal-setting technique to promote integrity, all related specific behaviour should be first identified. Value-related behaviour such as bribery, embezzlement, or as simple as not playing the game during office hours can be considered when setting integrity goals. Once specific behaviour is selected, the organization needs to quantify them.

Apart from specifying difficulties, the behavioural goal is also challenging to measure. It relies heavily on observation and survey, which is subjective and time-consuming for the evaluator.

One intriguing finding in this study is that although the behavioural goal is not specified, it appears that employees have raised self-awareness on its importance. Likely, employees realize that the score is essential in remuneration decisions. One of the respondents revealed:

"We agreed to give a score of no less than 97 in behavioural performance measurement."

4.3.Goal Difficulty

From interviews, none of the respondents indicates that their goals are challenging to attain. One suggested that:

"I think my KPIs are easy to meet because they are entirely under my control, such as making monthly reports timely."

Some respondents noted that all colleagues always did meeting their job targets. Two of them added:

"Goal-setting does not demand me to put the greatest effort."

"When setting the target, we already predict that they will be easily achieved. "

Analysis of employee performance results supports the finding above (see table 3). The average KPI attainment is 115.49%, from a maximum of 120%. Additionally, only 1 out of 79 employees whose KPI is below 100%. Still, that employee managed to achieve 90.28%.

Table 3. KPI Attainment Percentage

KPI Score	Number of Employees	Percent age
≥ 100%	78	98.74%
< 100%	1	1.26%

Source: 2019 Employee Performance Report

The number of goals also indicates easiness. The average number of goals each employee has is 4.48. Head of Office has the most with 17 KPIs, while supervisors have an average number of KPIs 7.8. At junior supervisor and staff level, the average number of KPI is 5 and 3.9, respectively (see table 2).

Table 2. Average Number of KPIs

Job Level	Avg.	Max.	Min.
Head of the office	17	17	-
Supervisor	7.8	10	6
Jr. SPV	5	9	4
Staff	3.9	5	3

Source: 2020 Employee Performance Contracts

Concerning behaviour, most employees show excellence performance (see table 4). The average score is 96.97 from a perfect score of 100. Seventy-eight respondents managed to obtain a rating higher than 90, and only one respondent gets a score lower than 90 yet more significant than 75.

Table 4. Behaviour Assessment Score

Score	Number of Employees	Percent age
91-100 (Excellent)	78	97.4%
76-90 (Good)	1	2.6%
61-75 (Fair)	-	0%
51-60 (Poor)	-	0%
≤50 (Very Poor)	-	0%

Source: 2019 Employee Performance Report

Goal difficulty is indeed a subjective thing. It may vary between employees depending on abilities and self-efficacy. It is a prerequisite to

motivate employees to concentrate on task completion, using their knowledge and skills, and persisting in solving problems.

On the contrary, too-difficult goals or even impossible affect employees negatively (Roose & Williams 2018, p.40). It discourages them from maximizing effort. They would think that pursuing such goals would only waste their time and energy. Even worse, it may lead to unethical behaviour like overreporting performance (Schweitzer, Ordóñez, & Douma 2004, p.429).

Facing that dilemmatic situation, it appears that MoF or DGCE have taken creative measure by altering "hard" or "difficult" terms with "continuously-improved." It stimulates employees to always increase the target with the hope that goals would be optimum without putting too much pressure. To ensure its effectiveness, DGCE incorporates this strategy into the incentive scheme. Increment goals would be an additional factor in the end-of-year bonus.

Unfortunately, this is not an obligation; hence not all employee raises KPI target. One respondent said:

For mandatory goals, we can pick the status quo or higher target. At the same time, the target for self-set KPI depends on us.

During the interview, it appears that the incentive has influenced goal-setting. It means that if an employee chooses to raise the target, it only to the extent which incentive will be optimum. One respondent said:

"In setting goals, we usually increase the target by 5% to get maximized incentive."

4.4.Goal Participation

Data from document review indicated that employee participation in goal-setting is modest at the managerial position but significant at the staff level (see table 5). As described earlier, either mandatory or cascaded goals are considered assigned, while self-set is a participative goal.

Table 5. Goal Types Amount

Job Level	Mandat ory	Casca ding	Self- set
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Head of the office	9	7	1
Supervisor	8	20	11
Jr. SPV	40	3	22
Staff	12	52	169

Source: 2020 Employee Performance Contracts

From table 5, there might be a correlation between goal participation and previous finding on goal difficulty. At the staff level, where goals are dominantly self-set, they perceived them as easy. On the other hand, at the managerial level, where assigned goals are the majority, they are seen more complicated but still achievable.

All staff members confirmed this assumption. One mentions that:

"For me, the cascaded goal or mandatory goals is more challenging to attain than self-set."

This result is opposite to what Latham and Saari (1979, p.154) found that no significant difference in goal difficulty perception between two conditions. One fact which possibly makes a difference between both studies is that in the previous research by Latham and Saari, respondents were keep reminded that the goal must be challenging but attainable.

Goal participation and goal difficulty may also correlate another way. When an employee has to set their own goal, they tend to set manageable goals. It is once again not consistent with Ludwig and Geller (1997, p.253), who asserted that participative-set goals lead to a higher purpose and further higher performance. It appears that intervention during goal-setting differentiates the result. Employees were actively engaged in two-way discussions that lead to a higher goal set in the previous study.

Despite its critical influence, the discussion during goal-setting is more comfortable to said than done. Superior is reluctant to persuade or assign high goals because they are too cautious that it would make employees missing the target and affect compensation negatively. One manager argued:

"I would feel guilty if subordinates do not meet the goal because I assign them a too high goal and causing them to lose compensation."

This finding again hints that monetary incentives probably affect the goal-setting process. However, more systematic research is needed to investigate how they correlate.

4.5.Goal Feedback

According to KMK no. 467/KMK.01/2014, a dialogue between superior and subordinate to increase performance takes place every semester. However, this seems only to exist on paper. In the interview session, employees said that they did not receive feedback from their immediate superiors. One respondent articulated that

"We never get any feedback for our performance."

However, it can be inferred from the information and technology (IT) system that employee can check their performance progress, implying self-feedback behaviour facilitation. The application also functions as a media and record of feedback activities that provide exciting facts, such as superiors' approval on subordinate goal realization and action plan, and also the existence of auxiliaries' development plan. Unfortunately, evidence of how feedback went between employee and superior is not available. It contrasts subordinates' responses.

Two further explanations from the superior are withdrawn. The first is informal feedback. Superior has given feedback upon task completion, and casually hence employee does not realize having feedback. One manager said:

"I give feedback immediately after they (employees) job finished."

The second scenario is no feedback. Superior does not sense the urgency to provide input because subordinates have accomplished all the tasks easily. In this case, they perceive that feedback is unnecessary if the goal attained. One respondent stated:

"If only my direct auxiliary reported to me that goal is off-track, I would discuss it with them and solve the problem."

Neubert, as cited in CIPD (2016, p.10), argued that the feedback method does not seem matter. However, Harkin et al. (2016, p.217) concluded that although the progress monitoring methods

were all valid, some were more effective than others. Besides, Kim and Hamner (1976, p.55) asserted that self-feedback, formal feedback from superior, or a combination of both increase employee performance more excellent than informal feedback or no feedback. Considering that system to facilitate both mechanisms is ready, DGCE only needs to encourage both feedback-seeking behaviour and formal feedback.

4.6.Goal-setting effectiveness

When we confirm how goal-setting relates to their performance, employees admitted that goals direct their activities and help them focus their effort to attain it. The superior also agree with this opinion; they see their subordinates have more responsibilities and standard in performing the job.

However, employees believe that goal-setting is not effective in optimizing their performance. One staff member argued:

"Well, KPI is only a formality because every employee can achieve it, even a lazy one."

Similarly, the manager thinks the goal set is not adequate to maximize employees' potential. One manager asserted that:

"I still see some employees in my unit perform poorly but still attain all KPIs. It looks that goal-setting does not guarantee employee performance leverage."

Unfortunately, this study has not found sufficient data from PMS documents, which initially intended to show whether goal-setting is effective or not. One main reason is that the previous year's data is not available for comparison with current data; for example, data regarding "Effectiveness of Focus Group Discussion (FGD)." Secondly, the current year goal is not significantly different from previous year data. For instance, the index of effective public communication."

The only analysis is "Percentage of Stakeholder Compliance in Submitting Production Report," as shown in table 6.

Table 6. Goal-Setting Comparison
(Jan-Jul period)

KPI	2019		2020	
	goal	result	goal	result
Stakeholder Compliance	95%	95.11%	80%	93.96%
FGD Effectiveness Index	N/A	N/A	80	95.78

Source: 2019 & 2020 Employee Performance Report

From the data above, this study can make an inference that higher goal leads to higher output. However, a significant degree of differences is unknown due to measurement limitations. Again, it can be inferred that the current year's goal is not set higher than the previous year's goal as expected.

5. CONCLUSION AND RECOMMENDATION

Goal-setting is a helpful technique to ensure employees work for the organization's interest. Overall, goals in DGCE is specific in that employee understand what output or outcome they must deliver. However, there is room for improvement; for example, setting behavioural goals should be taken into account when DGCE is expecting to promote specific behaviour.

On the other hand, set goals in DGCE is not challenging enough to make employees work at the optimum level. This study suspects incentive attributed to goal attainment cause employee unwillingly set challenging goals. Therefore, some strategies can be employed to motivate employees to set higher goals. In this circumstance, assigning specific and challenging goals looks to be more potent rather than self-setting goals. It does not mean that all goals should be assigned, but a well-proportioned should be the aim. Mandatory KPI can be applied to a broader range of jobs and positions.

Mandatory goals may also provide another benefit that is fairness. Since goals are set uniformly across the organization, it improves employees' perception of PMS fairness. As an illustration, two same job holders in two offices will have the same KPI. Thus, any difference

between their performance result is comparable, and so be the compensation.

However, some goals might not be appropriate to be standardized across the organization due to environmental differences. For instance, some offices may lack in internet connectivity. Therefore, it needs the managers' ability to assign specific and challenging goals. Persuasion and negotiation are often a requirement in the process of goal-setting. Hence, manager training for goal-setting is also needed.

Concerning feedback, the organization should encourage managers to provide formal feedback. Nevertheless, the organization should prepare all managers to be able to provide decent feedback and avoid counterproductive performance results beforehand.

This study also has a limitation that goal-setting effectiveness cannot be generalized because of inadequate data. However, it can be concluded that the employee sees the goal-setting as a positive initiative from the organization.

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