

GOAL CONGRUENCE IN BRAZILIAN ORGANIZATIONS¹

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ABSTRACT. A study of 189 professionals in 13 Brazilian financial institutions sought to apply U.S.-derived organization theory and methodology concerning congruence between individual and organizational goals. A substantial lack of congruence was found, with congruence greater for higher organizational levels. Congruence was positively associated with involvement in work, and negatively associated with propensity to leave the organization. Relationships were stronger for some goals (e.g., self-actualization and status) than others (e.g., competent supervision and working on relevant problems). Results of the study indicate that questionnaire methodology is suitable for studying professionals in Brazilian organizations, and that goal congruence theory holds in Brazil as it does in the U.S.

RESUMEN. Se realizó un estudio en 189 profesionales en 13 instituciones financieras Brasileñas con el fin de aplicar la teoría de organización y la metodología referente a la congruencia entre objetivos individuales y los de la organización, con conceptos derivados del medio de Estados Unidos. Se reveló una falta substancial de congruencia, siendo ésta mayor en los niveles más altos de la organización. Existía una relación positiva entre la congruencia y la dedicación al trabajo y una correlación negativa entre ésta y la disposición a abandonar la organización. Las correlaciones fueron más altas para ciertos objetivos (tales como autorealización y status) que para otros (como por ejemplo, supervisión competente y trabajo sobre problemas relevantes). Los resultados del estudio indican que la metodología de cuestionarios se adapta bien para el estudio de las organizaciones Brasileñas constituidas por profesionales y que la teoría de congruencia de objetivos se aplica tanto a Brasil como a los Estados Unidos.

Today more people in the Western Hemisphere are spending more time in organizations than ever before. As societies develop, organizations tend to develop as well. For better or for worse, organizations are both a consequence and a cause of socioeconomic development.

Although social scientists have tended to focus on other units of analysis — such as individuals, groups, and societies — a field of research and theory on organizations has been emerging as well.

“Organization theory” is the study of the structure and functioning of organizations and the behavior of groups and individuals within them. It is an emerging interdisciplinary quasi-independent science, drawing primarily on the disciplines of sociology and psychology, but also on economics and, to a lesser extent, on production engineering. (Pugh, 1966, p. 235)

Among the topics considered in organization theory are power and authority, the taking of organizational roles, communications, motivation, decision-making, leadership, and organizational change.

To date, however, most of the work in the emerging field of organization theory has been limited in the Western Hemisphere to the United States and Canada. We know very little about the extent to which we can generalize the theoretical concepts, empirical findings, and research methods of contemporary organization theory to most of the countries of the Western Hemisphere.

In this paper we shall provide information about some organizations in one of these countries: Brazil. We shall report findings in an empirical study of one of the most important issues in organization theory — that of goal congruence, or the match between individual and organizational goals. To what extent do formal organizations provide for the satisfaction of individual goals? What is the relationship between goal congruence and such factors as hierarchical level in the organization, involvement in work, or desire to leave the organization?

Some students of organization have argued that the central problem in managing an organization is to integrate individual and organizational goals. Others have argued that individual and organizational goals are inevitably at odds with one another. Argyris (1957, p. 233) states this strongly:

There is a lack of congruence between the needs of healthy individuals and the demands of formal organizations. If one uses the traditional formal principles of organization (i.e., traditional chain of command, task specialization) to create a social organization, and if one uses as an input, agents who tend toward a mature state of psychological development (i.e., they are predisposed toward relative independence, activeness, use of important abilities), one creates a disturbance because the needs listed above of healthy individuals are not congruent with the requirements of formal organizations, which tend to require the agents to work in situations where they are dependent, passive, and use few and unimportant abilities.

A study by Farris (1963) of 552 professionals in eleven organizations in the United States strongly supported Argyris' contention. About two-thirds of the participants in the Farris study reported a lack of congruence between their goals and the provision for satisfying them in their organizations. Moreover, lower congruence occurred at lower levels in the organizations, and was associated with lower involvement in the job and lower professional output. Other studies (see Argyris, 1964) have suggested that similar phenomena also occur for non-professionals in the United States.

Are such findings limited to the context of cultural values and organizations of the United States, or do they hold in Brazil as well? We investigated this question using information provided by 189 employees from 13 Brazilian financial institutions. All but one of these organizations were in the public sector. Participants in the study were professionals involved in evaluating and approving loan applications from small and medium size businesses. Seventy-five per cent of the participants were between 20 and 35 years of age, and over three-fourths of them had completed college, usually obtaining degrees in engineering, economics, or law.

PROCEDURE

The participants completed paper-and-pencil questionnaires asking about several characteristics of their organizations. As part of the larger questionnaire, we asked two questions to measure goal congruence:

- 19) Listed below are several types of opportunities that a job could offer. To what extent does your present job really offer an opportunity to realize each one of these possibilities?
- 33) If you had to seek a job, how much importance would you give to the factors listed below?

After each question, 21 possible goals for an individual member of an organization were listed. Respondents rated the provision or importance of each factor on a scale ranging from "(1) - very little" to "(5) - very much."

Inspection of intercorrelations among the 21 factors identified ten clusters. As a result, the items were combined into the ten indices shown in Table 1.²

FINDINGS

Extent of Goal Congruence. Table 1 shows the extent of goal congruence for each of the ten types of goals. The bottom line of the table shows that across all 21 goals, the importance was greater than the provision in 86 per cent of the cases. That is, on the whole, 86 per cent of the participants in the study reported a lack of goal congruence. These findings strongly support Argyris' proposition.

Goal congruence did vary considerably, however, according to the particular goal in question. Congruence was greatest for social prestige and job security (relatively unimportant goals) and least for the goals of status, self-actualization, and competent supervision.

Goal Congruence and Level. A pervasive characteristic of most formal organizations is hierarchy. Some members fill offices carrying higher discretionary power, responsibility, and status than others. The participants

TABLE 1
Extent of Goal Congruence

<u>Goal</u>	<u>Importance Exceeds Provision</u>	<u>Importance Equals Provision</u>	<u>Importance Is less than Provision</u>
Status	85%	6%	8%
Salary			
Advancement			
Reputation			
Self-actualization	84	8	6
Challenging problems			
Freedom			
Important problems for organization			
Goals well defined			
Be appreciated for worth			
Hard-working team			
Responsibility			
Competent supervision	81	8	9
Use present abilities	61	29	9
Develop new abilities	61	27	10
Relevant problems	58	20	21
For country			
For state			
Working conditions	50	38	11
Common values	48	39	12
Job security	40	38	21
Social prestige	38	25	35
High-prestige institution			
Know important people			
Acquire social prestige			
Total (summing all items for each respondent)	86	1	11

Note: Approximate N equals 189; percentages do not total 100% due to missing data.

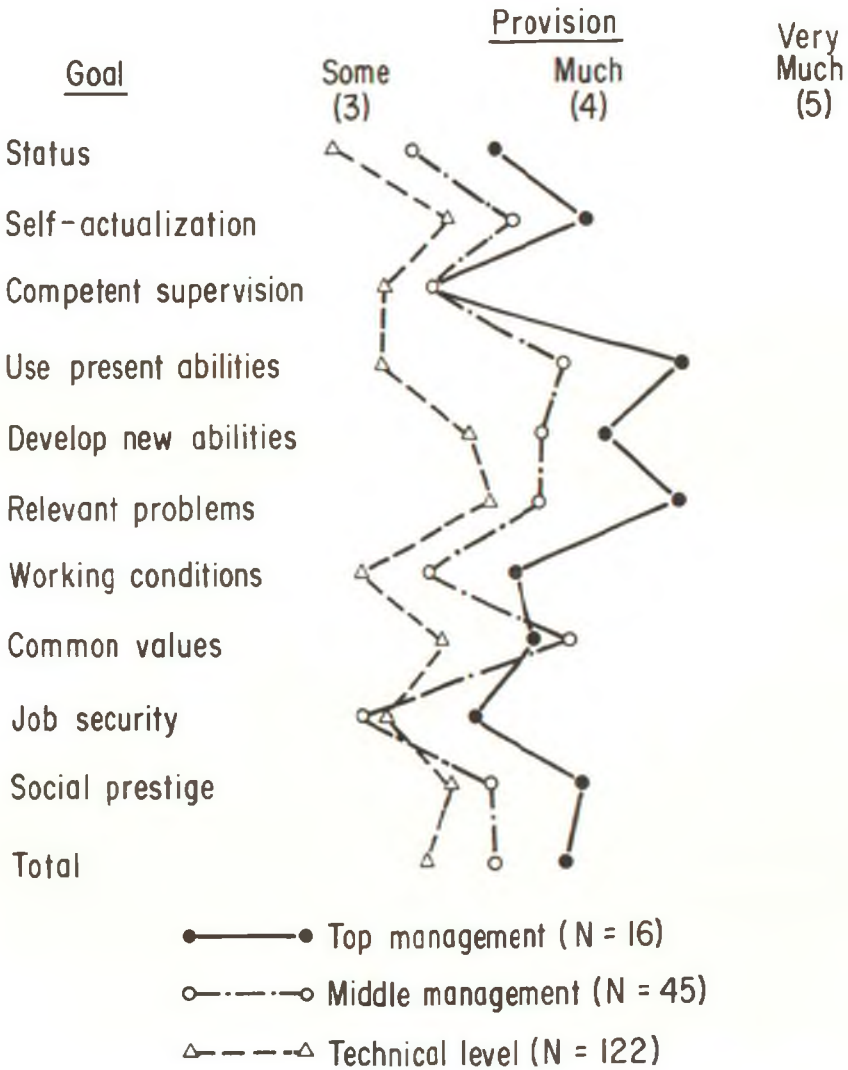


Fig. 1. Provision by level and goal

in this study included 16 top managers, 45 middle managers, and 122 first-level technical men. We compared the participants from each level; first, on the importance they attached to each goal; and second, on the extent to which their jobs provided an opportunity to satisfy each goal.

No differences were found in the importance people at each level attached to each job goal. The importance attached by individuals to each of the different goals was quite high regardless of level in the hierarchy.

However, differences were found in the provision of job goals for the different organizational levels. (See Figure 1.) Top and middle managers consistently reported greater provisions for satisfying goals important to them in a job, and differences were especially pronounced in the areas of using present abilities, self-actualization, and learning new abilities. Thus, goal congruence is higher for people at higher levels in these Brazilian organizations, just as it tends to be for members of organizations in the United States.

Congruence and Involvement. So far we have found a substantial lack of goal congruence among members of these Brazilian organizations, especially members at non-managerial levels. Is this lack of congruence a bad situation for these organizations (as Argyris says), or is it good (perhaps because it forces people to continually strive harder to satisfy their job goals)?

Previous work done in the United States (Farris, 1963; Argyris, 1964) suggests that people who are less able to satisfy important goals on the job are also less involved in their work itself. Work is less of a central life interest for them. We asked participants in our study to rate their involvement in their work on a 5-point scale to the following question:

There are people who are totally involved in their work, thinking about it night and day. For others, their work is only one among several interests. To what extent are you involved in your work?

Relationships between goal congruence and involvement are shown in Table 2. (For each job goal area, we calculated a goal congruence index by taking the difference between the importance and provision for that goal area.) The findings indicate fairly low, but statistically significant, relationships between involvement and goal congruence in several areas. Strongest relationships occur for self-actualization and status. People who say they are able to satisfy important goals on the job also tend to say that their work is a more important part of their lives.

Congruence and Desire to Leave the Organization. In a recent study of turnover of professionals, Farris (1971) predicted turnover on the basis of goal congruence. He found that those who actually left their organizations were apt to report, while they were still employed, that leaving would h

TABLE 2

Relationships Between Goal Congruence and Involvement
in Work and Desire to Leave the Organization

<u>Goal</u>	<u>Involvement</u>	<u>Desire to Leave Organization</u>
Status	.25***	-.21**
Self-actualization	.34***	-.23***
Competent supervision	.05	-.05
Use present abilities	.19**	-.20**
Develop new abilities	.16**	-.14*
Relevant problems	.04	-.05
Working conditions	.13*	.05
Common values	.19**	-.13*
Job security	.09*	-.01
Social prestige	.04	-.14*
Total Congruence	.29***	-.19**

* $p < .10$ ** $p < .01$ *** $p < .001$

N = 189, approximately

their careers, and that their current jobs provided less opportunities for satisfying important job goals.

Would these Brazilians also report a greater desire to leave their organizations when they experienced lower goal congruence? We asked about desire to leave with the following question:

In the next three years, which of the following possibilities will be most beneficial to your career?

Seven possibilities were listed, two implying a desire to stay with the current organization and five implying turnover. Relationships between goal congruence and a stay-turnover scoring of this desire-to-leave question are shown in Table 2. The negative relationships indicate that a greater de-

sire to leave tends to be associated with lower goal congruence. Relationships are strongest for self-actualization, status, and chance to use important abilities on the job.

DISCUSSION AND CONCLUSIONS

To summarize the main findings of this study of goal congruence, we found in these Brazilian organizations:

1. A substantial lack of goal congruence.
2. More congruence at higher organizational levels.
3. A positive association between congruence and involvement in work.
4. A negative association between congruence and a feeling that leaving the organization would help one's career.
5. Stronger relationships for some goals (e.g., self-actualization and status) than others (e.g., competent supervision and relevant problems).

Let us discuss briefly some implications of these findings for Brazilian organizations and then for organization theory in general.

The young, well-educated professionals who participated in this study are an important asset to their organizations. Moreover, the supply of such professionals is greatly exceeded by the demand for them in much of the Western Hemisphere. Yet, the organizations in which they work are not fully satisfying the members' work goals, and this lack of goal congruence is associated with lower involvement in work and less propensity to stay with the organization. It is a critical challenge to these organizations to find ways of motivating and satisfying their professional staffs.

Two findings in this study of goal congruence suggest directions for proceeding to meet the challenge. First, initial emphasis should be placed on satisfying self-actualization and status goals, since they related most strongly to involvement and desire to leave. Competent supervision and working on problems relevant to the state and country would be less important initially. Second, the fact that people at higher levels in the organizations reported higher goal congruence suggests that placing more of the professionals in managerial-type roles may also be helpful. This idea is not so fanciful as it may sound at first. Recent work by organizational psychologists suggests some ways in which this can be achieved. (See especially Myers' (1970) *Every Employee a Manager* and Likert's (1967) *The Human Organization*.) In fact, many of the suggestions of these two authors would be apt to increase the self-actualization and status congruence of organizational members.

The findings of this study suggest that the concept of goal congruence is an important one to use in studying Brazilian organizations. Moreover,

the questionnaire methodology we employed appears to be a useful tool in doing research in Brazilian organizations. Finally, the fact that goal congruence was found to be related to level, involvement, and desire to leave the organization in a similar manner in Brazil and the United States, suggests that this aspect of organization theory has wide applicability within the Western Hemisphere. Some of our other research in Brazil (Farris and Butterfield, 1971) suggests that in other areas, specifically in leadership theory, some findings are different in Brazil and the U.S.

We hope that our study of goal congruence in Brazilian organizations has illustrated ways in which psychologists can advance organization theory and management practice. Organization theory has much to contribute as organizations become an increasing fact of life in the Western Hemisphere.

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FOOTNOTES

1. This report is part of a series of studies of Brazilian financial institutions. This initial research has been supported by grants from the Ford Foundation. A series of working papers is available summarizing results of analyses to date. Recently, the authors (Butterfield and Farris, 1971) have proposed further study of relationships between organizations and economic development. The authors are grateful to Mario Gnecco-Lombardi for his assistance in this research on goal congruence.
2. Details of several of these and subsequent analyses appear in M. Gnecco-Lombardi, *Congruence of Job Factors in Brazilian Development Banks*, unpublished S. M. Thesis, M.I.T., 1971, and G. F. Farris, G. W. Chinn, H. Friedman, L. Wakeman, and J. D. Nyhart, *Questionnaire Study of Four Regional Development Banks*. MIT Development Banking Project, Working Paper Series No. 11, December, 1967.