Multiple and Competing Goals in Organizations: Insights for Medical Leaders

Amit Nigam

Health care organizations are a complex mixture of personalities, teams, functions, and professions, all of whom serve a confusing array of masters including patients, families, populations, political leaders, professional bodies, and regulators. Unsurprisingly, this leads to confusing array of often competing goals that can motivate people's actions. The resulting friction between goals often descends into inter-personal stereotyping and blame. A potentially more productive approach would be to learn to analyze and navigate the multiplicity of goals at work in organizations, and how they impact decisions.

This essay aims to lay out research that examines organizations as systems of nested goals with the intention of better equipping you analyze and navigate the goal system in your organization in a way that can help you better perform as a medical leader. A basic idea of this research, grounded in *The Behavioral Theory of the Firm* [1 2], is that organizations have a multiplicity of independent and often competing goals. Different goals in an organization can each have relatively independent effects on decision-making, Organizational politics, where different organizational members prioritize different sets of goals, play an important role in determining which goals are ultimately prioritized and pursued. The idea that goals are important to well-functioning organizations is widely understood. For example, managers routinely attempt to motivate people and work teams by defining goals that are specific, measurable, agreed upon, reasonable, and with a defined timetable [3]. Research on how organizations cope with a multiplicity of goals has been less widely communicated.

That a multiplicity of goals exists and is important in shaping organizational decisions, however is clear. A hospital, for example, can have diverse goals, including operational efficiency, adhering to professional and regulatory standards, delivering care of high clinical quality, producing quality medical research, community access to care, and revenue. These diverse goals—all important to the functioning of the organization—may be hard to attend to equally, differently valued by different people, and can come into conflict with one another. A central assumption of *The Behavioral Theory of the Firm* is that organizations do not generally have an overarching goal (e.g. performance). Instead, there is a multiplicity of different types of goals. This system of goals includes sub-unit goals, functional goals, professional goals, and personal goals. Sub-unit goals are goals that are specific to a particular unit in an organization. For example, an internal medicine and surgical department in a hospital would each prioritize the goal of meeting the medical needs of their population of patients. In some cases, this could lead the two sub-units to compete for access to inpatient hospital beds. Two colleges in a university may have specific student enrollment goals that motivate them to offer similar degrees, leading them to compete for the same students. Functional goals are different goals prioritized by different functional areas. The finance function in a hospital will always prioritize financial goals, while clinical functions would clearly prioritize goals relating to clinical quality or professional standards adherence. Professional goals can explain differences in perspective or emphasis that come from differences in training and norms. Nurses, for instance, will have a different emphasis and potentially prioritize different things compared to surgeons or palliative care specialists in pursuing a goal of high-quality patient-centered care. Finally, people may have personal goals that are incidental to the organization, but may nevertheless drive their behavior. A key task for medical leaders, then, is to recognize and analyze the different types of goals that

people may hold as important, and which in turn might influence organizational decision-making processes.

How the goal system shapes decision-making and change in organizations depends on how goals intersect with an organization's political system and its attentional processes. Political processes in an organization will shape whether or not a specific goal will matter.[1 4 5] Decisions in organizations, according to the Behavioral Theory, are driven by organizational coalitions. A dominant coalition is a group of people who have sufficient influence to determine the outcome of a particular decision at a given point in time. Coalition members may prioritize different goals, and will bargain with one another to reach a decision that they find satisfactory. As a result, which goals matter will depend on who is part of an organization's dominant coalition for a specific decision, and what goals they care about. Key here, though, is that people do not generally fully maximize performance on their priority goals. Instead, they aim to reach an acceptable level of performance that also makes it possible to reach goals that are important to others. There are several important implications of this insight for medical leaders. The first implication is that there will always be latent and unresolved goal conflict in organizations. No hospital or other healthcare organization will ever fully resolve the tensions or latent conflict between diverse goals such as financial performance, clinical quality, and community access to care, for example. As a result, it is best to make your peace with the multiplicity of goals and latent goal conflict that you will deal with in your role. The second is that effective medical leaders play an important role in advocating for medically important goals. The failure to do so can lead to the risk that clinical and other medically important goals do not get the priority they deserve in organizational decision-making. The third is that effective medical leaders need to be aware of the diverse players who are politically important to decisions and what goals they care

about in order to strike effective bargains. Medical leaders will regularly be an essential part of the dominant coalition for many decisions in healthcare organizations. However, their goals will not always fully prevail. Medical leaders need to learn to judge how specific decisions might impact the goals that other politically important players care about, and to negotiate decisions, making trade-offs with others, that adequately meet clinical or medical needs.

Attentional processes also shape when and how goals matter. Different people, depending on their profession and role, will focus attention on different goals. Attention to goals can also change over time. An infection control professional may focus attention on the goal of infection control all of the time. An MRSA outbreak might make senior managers and clinicians also focus attention on the goal of infection control, though their attention may be more fleeting. Empirical research consistently shows that performance below expectations for a given goal will increase attention to that goal, and drive organizational changes aimed at better achieving the goal.[2 6]. Empirical research also shows that organizations pay sequential attention to goals [2 7]. That is, a hospital may focus attention on financial performance goals for a while, until quality or human resources get out of hand, and then shift attention to prioritize those other goals. There are two important implications here for medical leaders. The first is that medical leaders should be on the lookout for windows of opportunity – moments where the goals they care about are a focus of attention for a broad range of political players – to advance changes that they view as important. Second, medical leaders can, when necessary, frame the current level of performance to emphasize that the organization is currently performing below its expectations. This is a way to break inertia, and to focus broad attention on the goals that they care about.

In sum, understanding organizations as systems of independent, nested, and often conflicting goals is important to the work of medical leaders. Analyzing the politics of who

prioritizes which goals, and of who might be important in shaping decisions is critical in allowing medical leaders to strike bargains that advance goals that are important to their role. Understanding the attentional processes by which goals become more or less important over time can help them identify windows of opportunity to achieve changes that may be important to their role. Finally, recognizing that there is always latent conflict between goals in organizations, and that no organization can maximize performance on any given goal can help you make peace with the inevitable politics that you will face in your role, and with the fact that you can effectively advance medically and clinically important goals in your careers, even if you do not win every battle.

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