

Organizational Behaviour and Human Resources Division Seminar Series

'Safe or Profitable? The Pursuit of Conflicting Goals'

Monday, Feb 5, 2018 | 1:00-2:30 PM

Room 966, Henry Angus Building, 2053 Main Mall

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Abstract

In this study, we examine how multiple and sometimes conflicting goals are prioritized and pursued in organizations. Theories of coalitions and of political behavior address prioritization among goals and changes in goal emphasis over time, but cannot accurately predict the behavior of organizations that pursue conflicting goals. By linking performance feedback theory with survival-point theory, we show that performance shortfalls relative to aspirations on multiple goals can trigger managerial concerns for organizational failure. In such situations, the goal perceived as more important for survival gets priority and becomes the focus of attention. Empirically, we examine how airlines' dual focus on safety and profitability affects decisions regarding fleet changes. In the airline industry, safety and profitability have clear conflicts (at least in the short term) owing to the costs of replacing aircraft models with poor safety records. We find clear evidence that airlines pursue fleet safety goals; however, the nature and extent of that pursuit depends on whether (or not) the firm's profitability goals are being met. As predicted, the focus on safety goals is strengthened by low profitability because safety is more closely associated with survival. The study augments existing research on multiple goals by emphasizing the nature of goal interdependencies and its implications for behavior in organizations.