

## ORIGINAL RESEARCH ARTICLE

# Managerial Blurring of Employee Goals

Gyula J. Nagy<sup>1</sup> and Isabelle Walsh<sup>2\*</sup>

<sup>1</sup>Business Science Institute – BSI Luxembourg ASBL, Château de Wiltz, Luxembourg

<sup>2</sup>SKEMA Business School – Sophia Antipolis, Valbonne, France

## Abstract

Many researchers and practitioners believe that the lack of specificity of employee goals is detrimental to the effectiveness of performance management in firms. Using an inductive grounded theory approach, this study identifies two managerial factors that could impact negatively goal specificity in real-life corporate environments. First, 'goal blurring' is a counterintuitive purposeful managerial behavior that results in blurred employee goals being set during annual reviews. Second, 'specifying capability' incorporates factors that can result in a lower level of specificity of employee goals with no purposeful intent. The findings reveal two main reasons managers set less specific goals: (1) limited capability and (2) choice to purposefully blur employee goals to maintain flexibility in evaluating their subordinates. While non-purposeful blurring occurs because of circumstances that make setting specific goals difficult and limit the capabilities of managers to do so, purposeful blurring of goals occurs with the main aim of maintaining flexibility in evaluating employees. As a result, blurred goals are set for employees despite managers' awareness of the benefits of setting specific goals, which is supported by extensive research and management practice. Our work reveals the purposeful managerial blurring of employee goals, a phenomenon that has a significant impact on firm performance, though it has not been previously identified as such, or explained.

**Keywords:** *Goal ambiguity; Goal blurring; Goal setting; Goal specificity; Performance management*

Handling editor: Michael Grothe-Hammer; Received: 4 September 2022; Accepted: 9 November 2023; Published 6 December 2024

More than 95% of organizations set goals for their employees (Sull & Sull, 2018) as part of their corporate performance management process. Thus, the business year starts similarly for most companies with managers establishing goals for their employees. Although it can be used effectively 'in its own right' (Latham & Locke, 1979, p. 69), most companies use goal setting as a first step in the corporate performance management process (Armstrong, 2017). Performance management in general and goal setting more specifically play a vital role in the operation and success of corporations worldwide (Melyk et al., 2014) and are considered among the most important organizational systems (Kumar et al., 2015). Though performance management requires significant investment from businesses, it is widely believed to return an increase in corporate performance (Aguinis, 2012; McDonald & Smith, 1995; Rodgers & Hunter, 1991). The required investment is indeed significant: research carried out by the Corporate Executive Board (CEB) suggests that American companies spend approximately \$3,000 per

year per employee on the performance management process (Chun et al., 2018). For instance, Deloitte spends over 2 million employee hours a year on performance management (Goodall & Buckingham, 2015).

Setting goals makes it easier for employees to understand the difference between current and desired performance; it also encourages individual employees to focus and develop strategies and increases motivation (Latham & Locke, 2006; Mikami, 2017; Wallace & Etkin, 2018). Although a range of moderators (e.g., goal commitment, importance, self-efficacy, feedback, task complexity) (Locke & Latham, 2002) can influence the goal-performance relationship, setting goals is nevertheless regarded as a powerful tool for increasing employee performance, provided that the goals are clearly defined (Armstrong, 2017; Latham et al., 2017). As highlighted in goal setting theory, performance improves if employees are presented with specific and challenging goals rather than generalized goals or no goals at all (Locke & Latham, 1990, 2019). Furthermore, when an individual is presented with a specific

\*Corresponding author: Isabelle Walsh, Email: [isabelle.walsh@skema.edu](mailto:isabelle.walsh@skema.edu)

task and they perform it well, their motivation to accomplish the task increases, their sense of achievement heightens, and their level of boredom reduces (Latham & Locke, 2006).

In the present research, we did not start from a gap in the literature. We deliberately used an inductive and exploratory classic grounded theory approach (GT: Glaser, 1978; Glaser & Strauss, 1967) to obtain a new perspective on a well-researched area (Sousa & Hendriks, 2006). The research started as an inquiry regarding performance management systems. We assumed no preconceived notion of what eventually the research subject or the research question would be. First, the participants' main concern – their 'prime motivator, interest or problem' (Walsh et al., 2020, p. 5) – emerged. In this case, surprisingly, the manager's main concern was to maintain the evaluative flexibility of their subordinates. Based on existing literature, it could have appeared legitimate to expect that managers would strive to set specific goals for their employees. Yet, managers' main concern revealed a counterintuitive managerial behavior that often results in 'blurred' goals being set for employees, and we investigated this behavior in some depth. Managerial goal blurring behavior was counterintuitive for us because the general managerial practice, company policies and expectations, and also an overwhelming majority of extant literature all point to the beneficial effect of setting specific goals (even though some literature does contradict this argument, e.g., Bromley & Powell, 2012 or Kuhl, 2019).

Thus, the research question, which emerged during the GT process, is: What are the main factors that induce managerial blurring of employee goals?

Our work reveals and studies the five forces that drive the purposeful managerial blurring of employee goals, a phenomenon that had not been identified or explained previously thereby contributing to the vast research on goal setting and goal ambiguity. It also confirms other previously identified antecedents of goal specificity and ambiguity, including changes in the environment, managerial capabilities and attitudes, task complexity, etc. (Botti & Monda, 2019; Oppi et al., 2022).

This article is organized into six sections. First, the background section reviews the literature on goal setting and goal specificity, while the following two sections detail the methods applied in our research and the context for our research. We then present the findings of our study, positioning them within the existing literature. The two final sections of the paper consider the contributions and implications of our work as well as its limitations and possible avenues for further research.

### **Background: Goal setting and goal specificity/ambiguity**

The literature review that is presented in this section was conducted in part before we started our empirical research to allow us to develop our 'theoretical sensitivity', aiming not

simply to apply, but to eventually extend and transcend extant theories (Glaser, 1978). Further review work was then conducted after our results had emerged, with the aim of positioning our empirical findings with respect to existing literature (Martin, 2006).

Goals and goal setting are key concepts in psychology and management, which have received significant academic attention. This has led to the development of a large number of psychological theories related to work motivation (Austin & Vancouver, 1996; Lunenburg, 2011), among which Locke and Latham's goal setting theory is one of the most prominent. This theory states that performance increases when individuals are presented with 'hard and specific' instead of 'do your best' goals. Goal setting theory has been studied through hundreds of experiments in various settings (Locke, 1996; Locke & Latham, 2019), and research based on goal setting theory continues to proliferate (see appendix A). By 2006, more than 1,000 studies had been conducted in the field of goal setting theory, covering 88 different tasks and involving over 40,000 individuals (Latham & Locke, 2006; Latham et al., 2016; Mitchell & Daniels, 2003). In addition, several meta-analytical studies have confirmed the effect of goal setting on performance (e.g., Mento et al., 1987; Wegge & Haslam, 2005).

Thus, with such a well-established, rich and diverse theoretical field to work from, it is imperative that what is meant by the term 'goal' is clearly defined at the outset of our research. In corporate settings, a goal can be described as a significant aspiration the organization aims to achieve within a strategic framework. In contrast, objectives are specific, quantifiable milestones that serve as steps toward accomplishing the overarching goal. Setting goals for employees is a common practice within the business environment (Lunenburg, 2011; Sull & Sull, 2018) with the terms 'employee objectives' or 'employee goals' most frequently used. Although these terms have different meanings in terms of proximity and complexity, they are often used interchangeably.

### **Goal setting**

Originally, goal setting theory was mostly applied to performance in relation to very simple, proximal tasks in laboratory settings – although extending research to a wide range of time horizons was suggested at an early stage (Locke & Latham, 1990). Over time, goal setting research expanded to encompass more complex, longer-term tasks in various settings (Locke & Latham, 2019), even including goals spanning over decades (Bateman & Barry, 2012). As such, there is now a vast amount of goal setting research, which covers tasks ranging in complexity (Locke & Latham, 2019; Wood et al., 1987) from the very simple (e.g., reaction time tasks) to the very complex (e.g., engineering work tasks). The goal setting effect has been found to be valid for all levels of task complexity

(Chesney & Locke, 1991; Locke & Somers, 1987; Smith et al., 1990; Taylor et al., 1984), although the effect is greater for simple tasks (Wood et al., 1987).

Although the social and economic relevance and applicability of management research have often been questioned (Hamet & Maurer, 2017), goal setting theory is one theory that has been applied numerous times in the development of various management practice methods, tools and approaches, including management by objectives (MBOs) (Drucker, 1955; Greenwood, 1981), balanced scorecard (Kaplan & Norton, 1996), high-performance work practices (HPWPs) (Lunenburg, 2011), objectives and key results (Doerr, 2018), and SMART goal setting (Doran, 1981; Ogbeiw, 2017). All these methods have assumed – and proved in practice – that goal setting theory is valid in corporate settings, wherein the application of specific and challenging goals leads to a higher level of performance. Additionally, while the performance management process generally employs money as the primary incentive in increasing employee performance, research has also concluded that bonuses are more effective when made contingent on attaining specific objectives (Latham & Locke, 1979). Within the performance management process and in managerial practices more generally, goal setting has produced clear, verified results – particularly when more specific goals are utilized.

### Goal specificity and goal ambiguity

More than four decades ago, Latham and Locke stated that '[t]he idea of assigning employees a specific amount of work to be accomplished ... is not new' (1979, p. 69). And, while this is not a new concept, a range of different definitions and terminologies exist to attempt to describe it. First, as with the concept of goals, 'goal specificity' has many synonyms that have been used in various pieces of research: for example, goal clarity (Sari & Dwirandra, 2019; Sawyer, 1992; van der Hoek et al., 2018) and explicitness (Heckhausen & Heckhausen, 2018; Klein et al., 1999), and in its opposite sense, goal ambiguity (Anderson & Stritch, 2016; Botti & Monda, 2019; Steers, 1975), which is perhaps the most studied among related concepts especially in case of the public sector (Botti & Monda, 2019; Oppi et al., 2022). Second, the meaning of goal specificity differs across existing studies in two main ways. One understands the concept in terms of goals that, from the perspective of employees, are '[c]lear, concise and unambiguous' and '[a]ccurate in terms of the true end state or condition sought' (Seijts et al., 2004; Tosi et al., 1970, p. 71). The other focuses on numerical defined goals that offer 'quantitative precision' (Klein et al., 1999; Locke et al., 1981, p. 126, 1989; Scott & Nowlis, 2013), whether or not the target is set as a specific number or a range of numbers that serve as a reference point (Hewer & Brownlie, 2017; Wallace & Etkin, 2018) in goal pursuit.

Existing research on goal specificity as perceived by employees concludes that goal specificity increases performance (Botti & Monda, 2019; Latham et al., 2017; Locke & Latham, 2019; Sawyer, 1992; Taing et al., 2013; Wood et al., 1987) and contributes to employee satisfaction (Botti & Monda, 2019; Tosi et al., 1970), commitment (Bozkurt et al., 2017; Klein et al., 1999), motivation (Botti & Monda, 2019; Mikami, 2017; Wallace & Etkin, 2018), and empowerment (Jong & Faerman, 2021); it also regulates performance and reduces performance variance (Locke, 1996).

Research on quantitative goals concludes that single-point goals differ from range goals in terms of customer motivation (Scott & Nowlis, 2013) and performance (Locke et al., 1989). Furthermore, researchers have found that range goals are more motivating because the high end of the goal represents a challenge, while the low end offers attainability (Klein et al., 1999).

The present research is based on interviews conducted with managers and investigates goal specificity as perceived by managers. Managers mostly rely on the managerial practice of SMART goal setting (Doran, 1981; Ogbeiw, 2017), which implies alignment with Latham and Locke's definition of a goal as 'a specific task, a quota, a performance standard, an objective, or a deadline' (Latham & Locke, 1979, p. 69). Building on this, we suggest that goals can be regarded as specific when goals are considered specific when they define the exact task, the desired outcome, numerical and measurable objectives, and a deadline by which the goal should be achieved.

Despite the abundance of evidence, both in research and in management practice, about the positive effect of setting specific goals, we found that, based on an analysis of performance management data at our study firm, the level of specificity varies greatly, with only about a quarter of employee goals (across a sample of 3,200 employees) being fully specified. The low level of use of specific goals is especially surprising since the company strives – as most of the companies – and sets policies to support the use of specific goals. There seems to be a policy-practice gap as defined by Bromley and Powell (2012) when setting and implementing policies for specific goals setting. At the same time, we also need to acknowledge that despite overwhelming evidence supporting specific goal setting, many researchers and management practitioners do not subscribe to the notion of positive effect of setting specific goals. It has been shown that setting specific goals are counter effective in case of learning goals (Erhel & Jamet, 2019; Vollmeyer et al., 1996), creative goals (Locke & Latham, 2013), setting goals to new employees or when the solution space is not well defined (Seijts & Latham, 2005) just to mention a few. It is also shown that setting specific goals might increase unethical behavior (Barsky, 2008; Schweitzer et al., 2004) and possibly hinder flexibility and innovation (Kuhl, 2019).

The discovery of low level of specific goal setting in the investigated firm and the corresponding main concern of managers led to the present research, in which we are concerned with understanding the factors that influence the specificity of employee goals and the managerial behavior that leads to the blurring of employee goals.

Existing research provides only a very limited understanding of the antecedents of goal specificity, and there appears to be no research on managerial blurring of goals. Extant research suggests that goal difficulty (Klein et al., 1990) and goal type (e.g., learning goals) (Erhel & Jamet, 2019; Taing et al., 2013; Vollmeyer et al., 1996) have some influence on the level of goal specificity. Public sector goal ambiguity has received significant attention, and it is closely related to the present research. These researches suggest several antecedents to goal ambiguity including changes in the environment (Grossi et al., 2018; Modell, 2019), managers' attitudes and capabilities (Rainey & Jung, 2015; Stazyk & Davis, 2019) and skills (Calciolari et al., 2011), task complexity (Lee et al., 2010), and organization age and size (Chun & Rainey, 2005). The review of the literature highlights some antecedents of goal specificity, and there is clearly a gap in understanding what drives the managerial behavior of blurring of employee goals especially when it is intentional. Our current research seeks to start filling this gap.

## Methodology

We applied classic grounded theory methodology in our study (Glaser, 1978; Glaser & Strauss, 1967) because we felt there was a need for new perspectives in a well-researched area with links to practice (Sousa & Hendriks, 2006). Grounded theory is the most widely used qualitative method (Bryant & Charmaz, 2007). The origin of grounded theory goes back five decades to the publication of Glaser and Strauss' (1965) empirically based study *Awareness of Dying* and their subsequent seminal book (Glaser & Strauss, 1967). Since then, grounded theory has come to be used across a variety of disciplines as a collection of methods that can accommodate diverse epistemological views (Bryant & Charmaz, 2007).

Grounded theory assumes that no fixed research design is established at the beginning of a study. Instead, research is approached in a flexible manner, wherein research steps and data collection are driven by the initial emergence, and eventual saturation (when no new element is highlighted, while new data is collected), of the theory. The four 'pillars' of the grounded theory method – 'all is data', 'emergence', 'constant comparative analysis', and 'theoretical sampling' (Walsh et al., 2020) – have been consistently applied in our research. We followed the GT methodology process as described in Walsh et al. (2020).

Initially, we conducted 40 semi-structured interviews with managers at a multinational financial service company at their headquarters over the course of 2020. A further four clarifying interviews, which focused on the concept of goal specificity, were subsequently conducted to aid saturation. This method was followed as there is no 'right' sample size for qualitative research (Beitin, 2012) with grounded theory requiring interviewing to continue until saturation is reached (Walsh et al., 2020).

The company itself and the individual interviewees (see appendix B) were selected using convenience sampling, which is acceptable for an exploratory study (Glaser & Strauss, 1967). Without any further criteria being applied, the participants selected were those managers available for interviewing in the available time period. Interviews lasted for around 1 h and were conducted at company premises. Interviewees were invited to share their views on the company's performance management system with no further specific definition of subjects or questions asked. The interviewer only intervened in order to keep the interviews on track and ask clarifying questions. All interviews were conducted in the local native language by the first author, who is native of the same country. After translation into English, back translation was used to verify that original meaning was not distorted. No recordings were made because we wished to induce minimal change in the behavior of our interviewee (Vanderstoep & Johnston, 2009). Instead, we took detailed notes throughout the interviews with the most important emerging themes quoted and later coded and summarized. For each interview, an idea map was also created.

Our data comprised primary data collected via 44 interviews and secondary data extracted from company performance management records. Extant literature was also used as data. In line with grounded theory methodology, we undertook 'open coding' of our data, the initial coding stage 'where the analyst codes each incident for as many concepts as possibly relevant' (Holton & Walsh, 2017, p. 52), during which 547 codes/categories were identified. Original codes were reduced during the research process, and final retained codes/categories/concepts were selected and retained based on the number of their occurrences in verbatim and memos (see appendix C, tables C-1, C-2, and C-3).

Open coding leads to the emergence of the 'main concern' and 'core category' (Glaser & Strauss, 1967). In GT terms, the main concern is 'the prime motivator, interest, or problem investigated' (p. 98, Walsh et al., 2020), while the core category explains the most significantly how the main concern is 'processed, managed, and/or resolved' (p. 97, Walsh et al., 2020). It was during the open coding process that 'maintaining evaluation flexibility' emerged as the main concern (Glaser & Strauss, 1967) of managers, and 'managerial blurring of employee goals' was identified as the 'core category' (Glaser & Strauss, 1967). Having identified the core category, we undertook 'selective coding'

focusing on all other categories/concepts related to this category; in the coding process, selective coding was also subsequently undertaken as a second step in relation to 'goal specificity'. Five main categories related to the core category eventually emerged during selective coding: 'Managerial goal orientation'; 'PM systems structure'; 'Profiling'; 'Desire for flexibility' and 'Conflict avoidance'. These five categories lead to further subcategories. For instance, the category 'Profiling' was subdivided into 'Organization profile', 'Task profile', and 'Goal profile'.

The third coding stage ('theoretical coding': Glaser & Strauss, 1967) was then undertaken to investigate relationships between the various categories that had emerged during the research process. In order to help the emergence of the theory and to draw together inputs and ideas into a consolidated view of managerial blurring and goal specificity, 'theoretical sorting' (a process to help conceptualization: Walsh et al., 2020) was regularly performed using multiple inputs: theoretical codes based on interview notes, conceptual notes, and mind maps.

Some verbatim/examples of our coding are provided in the Results section. We also provide in appendix C some further illustrations with detailed information, about one category (Conflict avoidance: table C-1) that leads solely to the category 'Goal blurring' and another one (PM systems structure: table C-2) that leads to both categories 'Goal blurring' and 'Specifying capability'. We also provide (table C-3) a summary of coding occurrences from verbatim and conceptual memos for all main categories as well as for the theoretical coding, some verbatim being coded in several categories.

During the coding process, 'comparative analysis' (Glaser & Strauss, 1967) was constantly applied, that is, as new data were collected, all existing notes and related codes were reviewed and constantly compared. Conceptual memoing, a core element of the grounded theory approach, was undertaken throughout the research process (Holton, 2010). For each emerging concept, a 'conceptual memo' was drafted to capture researchers' emerging ideas throughout the process (Walsh et al., 2020). Altogether 60 conceptual memos were written during the course of conducting interviews and undertaking coding. A further 10 conceptual memos were written during the literature review process. After collecting data, we undertook a sequential sorting process based on the conceptual notes and combined the notes that fit together. Notes that did not fit the concept were set aside and retested after the first round of sorting had been completed. After several rounds of sorting, our core category was identified. Once the theoretical concepts had been identified, these were further consolidated drawing on concepts from other sources. By using constant comparative analysis, the conceptual notes were amalgamated into a single theoretical draft and then further synthesized and cleaned in multiple rounds of conceptualizing, which resulted in a simple and clear model and theory.

## Contextual overview

Our research focuses on a multinational financial services company operating in 10 countries in central-eastern Europe and employing 33,000 people. The research was based at the company's headquarters in the capital city of a European country where 7,000 employees are located. The company has been delivering excellent results in recent years with one of the highest returns on capital in the industry worldwide. The company uses international best-practice software to drive its performance management process. The software is used in 146 countries and serves 6,850 large corporate clients and 150 million users (Bersin, 2020).

Managers at the company set goals for employees at the beginning of each year. Besides overall financial goals, employees have a maximum of five strategic goals to accomplish during the year. These goals are discussed with employees and adjusted by managers before being recorded in the performance management system. Managers monitor progress toward goals throughout the year and provide feedback to employees. At the end of the year or early the following year, employees prepare a written evaluation on the fulfillment of their goals and score themselves on a scale of 1 to 7. A rating of 4 and above means that the objective has been met or exceeded. Managers review and adjust employee self-evaluations and record a final score for the employee for each goal. The composite score across all the goals is then used to calculate the employee's annual bonus, which is paid around May of the following year.

Several contextual factors might be deemed to be important when investigating the performance management system at this company. First, the scale of the bonus payment offered is quite significant, ranging from 2 to 12 months of total annual salary and averaging out at 3–4 months of salary. Second, the bonus pool provided to managers cannot be saved or reallocated. If it is unused, it is returned to the company pool. Third, although the process is centralized, there is no central monitoring or quality control function, and managers have a great deal of freedom to set employee goals as they wish although setting specific goals is a company policy and understood as a rule. At first glance, the rule of setting specific goals may seem simple although, and since no standardized measurement or control method is implemented to evaluate specificity, it is indeed very complex (Koenig et al., 2016). As a result, and aside from stating this requirement, the company does not put forward any disciplinary or other enforcement actions.

As with most international companies, annual training is provided for managers on the use of the performance management system. This covers the overall process, goal setting, and the IT system. This training, in addition to years of experience, is often complemented by more general management training. Business schools also put great emphasis on performance management

and the importance of setting specific goals for employees, and this makes the findings of our research even more fascinating.

## Findings

We were surprised to find that company managers' main concern was to maintain evaluation flexibility of their subordinates, and that intentional blurring of employee goals was, indeed, a real phenomenon. Our initial analysis of company performance management data confirmed that only 25% of employee objectives could be categorized as fully specific. The specificity of goals emerged as a concept/theme from our data and appeared to be linked to (1) managers' capability to set specific goals, which we termed 'specifying capability' and (2) managers' purposely blurring the goals they set for employees, which we termed 'goal blurring'. As this theory emerged from our data, the purpose of our analysis focused on identifying, understanding, and explaining the forces at play behind goal blurring. Our work identified five forces as influencing the level of goal specificity: managerial goal orientation, performance management system structure, profile, desire for flexibility, and conflict avoidance. It also found that each of these five forces influences goal specificity via the second-order concepts of specifying capability and goal blurring. While all five forces could drive the purposeful managerial blurring of employee goals, we found that three of the forces – managerial goal orientation, performance management structure, and profile – could also impact managers' capability to specify goals and further impact, indirectly, their goal-blurring behavior. The concept of specifying capability is a collection of forces that define the managers' ability to set specific goals. The

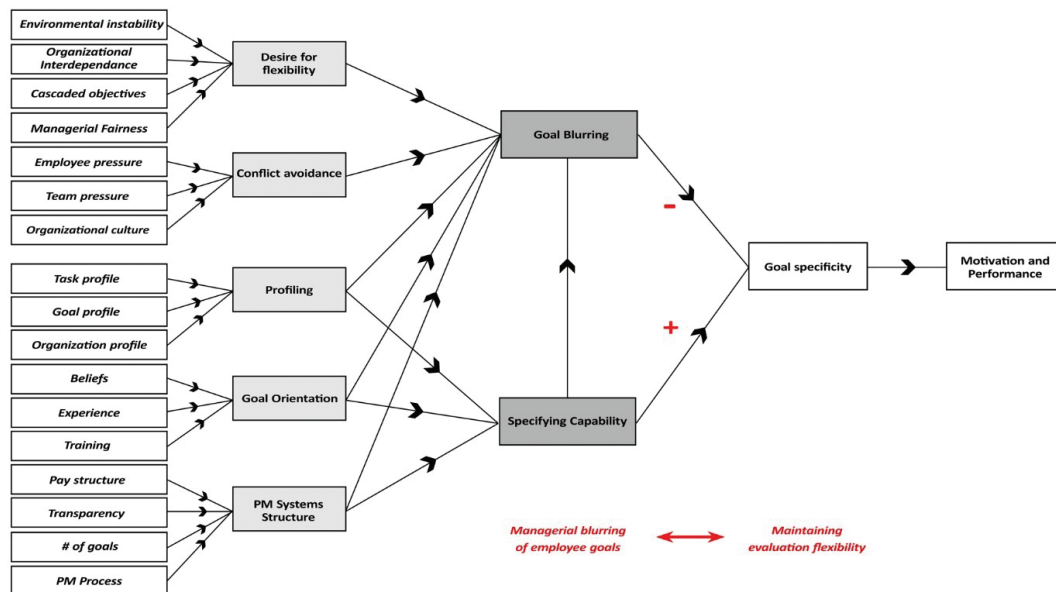
combination and negative or positive impacts of the underlying forces will result in various levels of managerial goal blurring or specifying capability. The level of managerial specifying capability is driven by extrinsic, circumstantial factors that are given as the task, goal, and organizational profile; the performance management structure of the company; and also intrinsic factors and orientation, pertaining to the individual, based on underlying managerial beliefs, experience, and training.

'Specifying capability' positively influences 'Goal specificity', while 'Goal blurring' negatively influences it. Our findings are summarized in the model shown in Figure 1 and described in some detail in this section.

### Force 1. Desire for flexibility

I want to maintain [evaluation] flexibility no matter what happens. Maybe I would use it less but would keep it for sure. (Interviewee: RIS\_GM\_M\_AZ\_2)

Managers seemed to have a desire to maintain evaluative flexibility in order to retain full discretion when it comes to rating their employees. This desire for flexibility seemed to be linked to a number of underlying reasons, with the most common reasons invoked by managers being: *environmental instability* – the unpredictability of environmental changes, given the lengthy time period between setting and evaluating goals; *organizational interdependence* – the dependence on other departments in fulfilling goals; *cascaded objectives*, which limit the direct influence of each employee/department on completing goals; and *managerial fairness* toward employees. All of these factors can lead to the



**Figure 1.** Model of forces driving specificity of employee goals  
Source: own elaboration.

*desire* to purposefully blur employee goals – managers are not forced to blur goals but instead are motivated to do so.

### Environmental instability

A standard goal setting cycle starts at the end of each year and is linked to the annual planning cycle. Ideally, employees would have their annual goals agreed before the start of the year; but this is often delayed until after the evaluation of the previous year's goal has been concluded. Hence, goal setting is often delayed until March or April of each year. Nevertheless, this still means that goals must cover a period of 9 to 12 months. Setting specific goals can be difficult as many changes in working environment can occur over such a long time period. Changes in the corporate environment can occur on multiple fronts: market conditions, organizational structures, systems and priorities, an individual's responsibilities, and tasks can all change. These changes can lead to objectives becoming obsolete by the time the final performance evaluation is conducted. Under these circumstances, managers often struggle with objective setting and set generic or generalized goals that can be interpreted in many different ways:

We don't have exact objectives because the situation is changing fast and we cannot be specific. We only define general requirements, and everybody in the team has the same objectives. (Interviewee: ITD\_DH\_M\_HV)

There are, however, many examples that show that the approach to objective setting may be starting to change to accommodate the ever-changing work environment. Agile planning, for instance, has seen a shift to a quarterly system, which offers greater flexibility in accommodating change.

### Organizational interdependence

Companies are complex organizations, and no department or employee can act in isolation. Certain tasks are more self-contained than others, but a significant level of interdependence always exists between departments and individuals. Employees often say that they have not been able to meet their objectives because other departments did not do their jobs. Blurring can therefore stem from a desire among managers to reward employees for what they can do, rather than penalize them for events outside their control, as explained by one interviewee in our study:

It's better to be flexible because there is significant dependence between departments and, at the end of the year, we need to explain what happened. (Interviewee: RIS\_GM\_M\_AZ\_2)

### Cascaded objectives

At the company in focus, key performance indicators (KPIs), the key measurements of company performance, are cascaded

down to lower levels, that is, they are broken down into derivative lower-level indicators and objectives in the organization. This approach is based on the idea that in order to influence overall company performance, employees at all levels need to work to the same overall objectives. However, the experience of managers interviewed for the current study suggests that individual employees are not always in full control of the outcome of cascaded objectives, and there was concern about the implications of this for goal setting (Doerr, 2018):

We had KPIs that we had no influence on because the objectives were cascaded down. We had arguments with my team about it. I understand that we cry and laugh together but objectives just cannot be cascaded further down. (Interviewee: RIS\_GM\_M\_SJ)

Often, managers took this into consideration and tried to generalize – or blur – objectives to compensate for the lack of direct influence of their department. Research also shows that agreement on common goals often results in vague goals (Cyert & March, 1963).

### Managerial fairness

Managers often used the expression 'I want to be fair' in the course of our interviews. Fairness is a well-researched concept related to the domain of organizational justice (Shields, 2007), with organizational justice made up of three distinctive components: distributive justice, procedural justice, and interactional justice (Beugré & Baron, 2001). Distributive justice deals with distributing resources equitably, procedural justice is about fairness and transparency of processes, while interactional justice requires people to be treated with dignity and respect. Although no literature focusing on managerial perceptions of these forms of organizational justice was identified, our interview data included implicit references to two of the three types of justice – procedural and distributive:

- Procedural justice: Managers tried to achieve fairness in judging employee performance by taking into account factors not assessed or included in objectives:

When my employee is not achieving the results, but considering other issues, I can still give him better ratings based on my judgment. (Interviewee: RIS\_DH\_F\_VA\_2)

- Distributive justice: A wish to see fairness related to social status and income was apparent with managers reluctant to cause financial hardship for employees by revoking bonus payments:

I would not give rating of less than 4 because that would make them lose their bonus. I don't want to cause a [financially] difficult situation for my employees. (Interviewee: ITD\_HD\_M\_JT)

Based on our collected data, we argue that a desire for fairness – which manifests itself in goal blurring – is a major contributing factor to low specificity of employee objectives when set by managers.

## Force 2. Conflict avoidance

[A] 100% rating would not automatically result in employees' satisfaction, but anything below 100% would result in their dissatisfaction for sure. (Interviewee: RIS\_DH\_M\_SM)

As the most frequently used theoretical code, conflict seems to be a very important factor in the blurring of employee goals. Conflict avoidance and the previously defined desire for flexibility are related concepts, but they are different in nature. The desire for flexibility is an internal need or motivation that results in the blurring of employee goals. In contrast, conflict avoidance results in the same behavior but is a response to external pressure: while managers might not intrinsically agree with goal blurring, they might nevertheless choose, or feel obliged, to take this course of action. Our research identified three forms of pressure put on managers to blur employee goals: *pressure from individual employees*; *pressure from teams*; and *pressure linked to organizational culture*. Each of these is discussed below.

### Pressure from individual employees

Managers certainly felt pressure from employees to give good or perfect evaluations, as attested to by its many mentions in interviews. This pressure was largely related to remuneration and arose in three main contexts as described as follows:

1. If overall remuneration is lower than the market average, employees may expect a full bonus payment in order to match the level of their remuneration with their expectations:

When I arrived, salaries were higher than average. Since then, market rates have changed. (Interviewee: ITD\_DH\_M\_GP)

In such cases, a less than perfect evaluation can give rise to significant employee protest. Not only do employees fight for a better rating, but also managers representing employees in the negotiation process also fight for a better rating. As one interviewee (KBD\_HD\_M\_WL) stated, they act as a 'union representative' to push through decisions on adjusted bonuses. At a more senior level, bonuses can represent a significant portion of total remuneration, so managers tended to support an employee's fight for a perfect evaluation in order to maximize their income.

2. Remuneration levels were different for new and longer-standing employees. New employees tended to receive the market rate when joining, while longer-standing employees have, over time, fallen below this level. In such cases, balancing total remuneration is only possible with a full bonus payment, which is both voiced and expected by employees:

Older employees expect the bonus to be paid. They are people who think the bonus must be paid to them. (Interviewee: RIS\_GM\_M\_AZ\_2)

3. Expectations with regard to remuneration are also linked to company success. When the company delivers massive profits, employees expect some of that profit to be shared with them. Pressure is thus placed on managers to deliver excellent evaluations of employees, which can be achieved if goals are defined less specifically:

A bonus is not considered as a performance payment; it is considered base salary. It is very serious to give less than 100% when the bank closed a very good year. (Interviewee: RIS\_DH\_M\_TP)

Alongside our interview-based findings, the results of our analysis of company PM data seemed to be consistent with managers responding to such pressure by assessing employees favorably. We found that managers seldom reduced employee self-evaluation scores: only 4% of self-evaluations were below 100%, and although managers adjust 30% of self-evaluations, the final composite evaluations show even fewer cases of employees receiving less than 100% rating. This suggests that, while managers may adjust employee self-evaluations, they take care not to lower the overall score of the employee. The main reason for this is suspected to be financial as stated in the interviews.

### Pressure from teams

The second type of pressure that leads managers to try and avoid conflict is expressed at the team level. Managers are not only leaders but also team members, who must abide by the rules of the team, and represent the best interests of the team:

This is a team. It hurts the team more if I take away 10% of the bonus than helps if I give 10% extra. (Interviewee: STR\_GM\_M\_KA)

The pressure teams exert on managers seems to originate from the potential for comparison with other teams. Interviewees said that team members compare their managers' behavior to that of other managers in order to make sure that they are being treated similarly or, indeed, better than other employees. Managers were keen to represent the team in a positive light. They also frequently

said that they did not want to penalize their own team by being harsher than other managers. Such behavior is reinforced by a lack of transparent objectives and a lack of transparency on how performance management rules are applied.

### Pressure linked to organizational culture

The third pressure driving managerial blurring behavior is linked to organizational culture. Existing literature highlights how performance management is influenced by company culture (Armstrong & Ward, 2005). Furthermore, company culture and company communication are highly related and often dictate company behavior (Schall, 1983). During our interviews, managers commonly suggested that the proper operation of the performance management system can be undermined by official company communication, which creates a particular culture around performance management and bonus payments, and that they are forced to abide by such communication in line with company culture. One interviewee gave the following example of how company communication does not support proper goal setting and evaluation:

There is always communication that the one-month bonus must be paid to employees. I cannot differ (Interviewee: RIS\_DH\_F\_PA)

### Force 3. Profiling

For those departments that provide an internal service, which is less objective, less bonus is needed. In these departments there are a lot of subjective things to consider when one evaluates performance. (Interviewee: KBD\_HD\_M\_WL)

The term of 'profiling' as used in this research means a certain set of characteristics of the organizational units, employee tasks, and employee goals that could influence how the goals are defined and how specific goals can practically be set. Setting goals for certain types of employee position is more difficult than for others. It has been argued that goal setting should be adjusted in accordance with the work/tasks being performed (Mueller-Hanson & Pulakos, 2015). Our analysis found three main attributes linked to the nature of positions that influence specifying capability and goal blurring: the *task profile* of the position, the *profile of goals* set for the position, and the local *organizational profile* relevant to the position, as discussed later.

### Task profile

Setting specific goals in a corporate environment seems to be more straightforward for certain types of tasks, including those of an operational nature. Managers in our study argued that it is almost impossible to define precise goals for many 'overhead functions' such as legal and compliance and IT:

It is difficult to set objectives for these departments. These are coordination tasks and there are more subjective evaluations. (Interviewee: ITD\_DH\_F\_HI)

In addition, interviewees suggest that it is likely that operational positions already have established numerical assessments assigned to them, which can be used in defining goals (e.g., number of calls per day and number of process steps performed per day). This relates to previous studies in goal ambiguity that state that the type of work, the task, and the technologies have significant effect on goal ambiguity (Lee et al., 2010). Recently developed information technologies increase the visibility of employee activities and their performance, especially those related to more operational tasks, which impact managerial behavior and control. Although the impact of increased visibility creates new challenges for managers (Justesen & Plesner, 2023) in relation to goals setting, it results in higher level of employee goals specificity.

### Goal profile

The profile of goals could also influence the level of specificity. For example, we found that managers are more likely to use vague objectives for learning goals (employees to acquire knowledge related to their work), a practice which is in line with the extant research (Seijts et al., 2004; Sweller et al., 1983; Taing et al., 2013). Some studies show that specific goals lead to higher performance if the worker has acquired *ex ante* the knowledge deemed necessary to perform the required task. If the employee is yet to acquire the skill, it is better to define learning goals (Brown & Latham, 2002; Seijts & Latham, 2005).

### Organizational profile

In addition, the characteristics of the organization, that is, the organizational profile, at local level also play a role. We found evidence that specifying capability is greater in larger departments and departments at lower levels in the organization. This could be related to the fact that larger departments (e.g., call centers) may carry out more operational activities and perform more uniform tasks. Also, at lower levels, employees have narrower more specific responsibilities, and it is therefore easier to specifically define the five permitted goals:

At lower levels, there are narrower responsibilities therefore it is easier to define more specific objectives. (Interviewee: RIS\_GM\_AZ\_2)

Profile not only influences the specifying capability of managers but also drives purposeful blurring behaviors among managers. During interviews, some managers indicated that task, goal, or organizational profile affected their capability to specify goals. In some cases, however, managers said that/admitted that the influence of profile went beyond that and resulted in purposeful blurring of employee goals to mitigate these factors when managers needed to complete employee evaluations.

#### Force 4. Managerial goal orientation

There is enough freedom for managers to operate the PM [performance management] system as they see fit, HR does not intervene, and managers can do anything they see fit. (Interviewee: RIS\_DI\_M\_HG)

Managers' own goal orientation can have a significant impact on their behavior, including on the way they set employees' performance goals (Button et al., 1996; Kaspi-Baruch, 2018). It was evident from the interviews that based on their own beliefs, experience, and training, managers may or may not be strong believers in the effectiveness of setting specific performance goals. Obviously, there are managers at both ends of the spectrum. However, while some managers may think that performance management in general is a waste of time, only two of our 44 interviewees expressed views of this type.

Goal orientation, as a concept in psychology (Latham et al., 2011), states that people with high levels of goal orientation prefer the use of goals as proof of competence (Seijts et al., 2004). This goal orientation is an inherent trait that can be influenced by experience or education, as was observed in our managerial interviews. We found that managers' goal orientation influenced their specifying capability and their inclination to blur:

#### Force 5. Performance management system structure

We should reduce bonus payment to not more than 3–4 months, otherwise people are 'willing to kill' for their bonus. (Interviewee: RIS\_HD\_M\_KG)

Performance management systems are complex with many design parameters. Different companies have experimented with these parameters in order to improve the effectiveness of their systems. We do not intend to assess all parameters of such systems but aim to highlight those parameters, for which we have found, in our data, correlated evidence of their influence on specifying capability and goal blurring and, ultimately, on goal specificity. These parameters include *pay structure*, *transparency*, *number of goals*, and the *performance management process*, each of which is considered further below. Depending on how a performance management system is structured, these parameters may have a positive or negative influence on goal specificity; in general, however, the set-up of the parameters is intended to motivate staff toward positive behaviors, such as achieving specific objectives.

#### Pay structure

The pay structure at our target firm varied depending on the seniority and role of the employee. Available bonuses ranged from the equivalent of 2 months' salary to the equivalent of 12

months' salary. However, managers in the study consider a pay structure with a high variable component to be detrimental to goal specificity. They explained that as the variable component increases, it becomes more difficult for the employees to accept a less than 100% evaluation, as this would lead to a less than 100% bonus payment. As such, employees will fight for every rating percentage. This makes the performance management process time consuming and gives rise to conflict that managers must handle.

The original intent of high variable pay at the company was to increase the incentive for exceptional performance, but, over time, it has become a universal expectation that bonus payments will be made. Under these circumstances, the variable pay structure has lost a lot of its motivating power. Most of our interviewees said they would prefer the variable portion of employee pay to be reduced and the performance evaluation process to be somehow separated from payment levels:

There would not be any reduction of performance if the performance payment portion is reduced. There is no meaning for the bonus. (Interviewee: BOD\_GM\_M\_BH)

#### Transparency

Managers thought that increasing the transparency of performance management would lead to less blurring of employee goals. This is most likely related to employee perceptions about practices followed by other departments and the pressure put on managers to weaken the strength of performance management. Increased transparency was, therefore, called for in multiple areas. For example, managers suggested that transparency of goals is important because of the interdependence of departments in delivering results. Often an important organizational objective is not included in an individual's goals even though they are an important participant in its delivery. In such cases, it is reasonable to expect the individual to focus on achieving their own annual goals, rather than other organizational objectives. Transparency was also sought in relation to how performance management is applied across the organization. Rating scales or payment distributions should be applied in a standard and transparent manner to avoid inequalities and reduce conflicts arising from differing interdepartmental application:

We don't know if others are taking it seriously. We are missing calibration from a system – for example what is 50% or 80% performance? Everybody decides for themselves. (Interviewee: RIS\_GM\_M\_AZ\_3)

#### Number of goals

The current performance management system at the company we investigated allows five individual goals to be set.

These goals should cover all key responsibilities of an employee. As stated in the interviews, since lower-level employees have a narrower range of responsibilities, it is easier to be specific when setting goals for them, hence specifying capability is sufficient when dealing with such groups of employees. However, this capability declines as seniority increases since a wider range of responsibilities must be covered, and this is only made possible by grouping and generalizing, or blurring, goals.

### Performance management process

The actual performance management process of the company has implications for managers' specifying capability, and hence for the specificity of employee goals. Managers often complained about having too little time to define objectives, which led them to overly generalize/blur objective to save time.

### Goal specificity, motivation, and performance

The five forces discussed earlier influence the level of goal specificity through two mechanisms. They impact on the capability of managers to specify goals and, at the same time, can result in the purposeful behavior of blurring employee goals. As a result, the specificity of employee goals suffers, this results in a lower level of employee motivation and performance, and a system is less able to recognize and respond to poor performance.

As long as goals are not defined properly, a low performer can stay with the company for 100 years. (Interviewee: RIS\_DH\_M\_KG)

Existing literature shows that specific goals increase employee motivation (Mikami, 2017; Wallace & Etkin, 2018) and performance (Latham et al., 2017; Sawyer, 1992; Wood et al., 1987), a phenomenon that has been researched extensively. The present research supports these findings with eight coding occurrence and two conceptual memos. Even though most interviewees were dissatisfied with certain aspects of the performance management system, they did not appear to question the effectiveness of its overall impact. These findings are similar to those of Mueller-Hanson and Pulakos (2015), who found that 75% of managers surveyed by CEB expressed dissatisfaction with one or more element of their organization's performance management system. Managers, however, still see the value and contribution of performance management and believe that proper and specific goal setting is important for a well-functioning system. This still holds mostly true despite specific circumstances when full specificity of goals is counterproductive.

In addition to increasing performance and motivation, we found that setting specific goals can improve the quality of self-evaluation and reduce conflicts between managers and employees. Furthermore, specificity allows for a greater

differentiation between good and bad performers and can result in either improved performance or the dismissal of bad performers, which, in turn, increases the motivation and satisfaction of good performers. As one interviewee stated:

My experience is that people take objectives seriously. They work hard to have them done. And the more specific their set tasks and objectives, the harder they worked toward fulfilling them. (Interviewee: RIS\_SM\_F\_FM)

### Contribution and implications

Through our work, we have identified and described a phenomenon that highlights unexpected managerial behaviors that could be considered as problematic and fit rather well in Cohen et al.'s (1972) garbage can model. Our work has significant implications for goal setting research. Extant theory of goal setting does not explain or predict the managerial goal-blurring behavior we discovered that results in setting less specific goals for employees. Goal blurring appears to result from a variety of interacting forces, some of which also impact managers' specifying capability. Managerial specifying capability and goal blurring can affect the specificity of employee goals, which, in turn, can influence employee motivation and performance. Our research supports some findings of extant literature, namely, that specificity of employee goals is an important factor in increasing performance and motivation of employees (Klein et al., 1999; Locke, 1996; Locke & Latham, 2019; Mikami, 2017; Sawyer, 1992; Tosi et al., 1970; Wallace & Etkin, 2018; Wood et al., 1987).

The present empirical research also identifies five forces that influence managerial goal blurring, thereby answering our research question. Our research provides more understanding on the antecedents of goal specificity, as practiced by most corporations that embrace popular management concepts such as SMART goals (Doran, 1981) or MBO (Drucker, 1954). In the public sector, goal ambiguity is a well-researched, important concept due to the fact that public organizations among others lack profit focus, a clear purpose, and subject of political pressure (Jung, 2014; Rainey & Bozeman, 2000). Present research in the private sector supports findings in the public sector and confirms antecedents of goal ambiguity such as organizational characteristics, managerial actions and influences, and external factors (Botti & Monda, 2019; Oppi et al., 2022).

By researching goal specificity and ambiguity in a corporate environment and by using an exploratory classic grounded theory approach, our study uncovered a new managerial behavior and its identified drivers, contributing to knowledge in this area. Because of the proven benefits of setting specific goals and the cost associated with the performance management process, companies need to understand why managers set blurred goals for employees. The negative effect of such

behavior could be mitigated, and as such, we recommend a balanced approach that reduces the need to blur goals and allows increased evaluation flexibility by adjusting the performance management system.

### Limitations and further research

The current study highlights and investigates the managerial blurring of employee goals by examining data collected from a multinational Europe-based corporation. Our findings are based on and extend the practical application of goal setting theory and, as such, could most probably be applicable to most settings to some extent. However, actual applicability is naturally dependent on many factors: for instance, national culture, organizational culture, and specific/idiosyncratic application of performance management processes in individual organizations. Since the present research is limited to one national culture and one specific corporate example, further research is required to understand its implications in different environments and cultural settings. In addition, managers' preferences and opinions could be highly dependent on their company's culture and the specifics of the performance management structure applied. As a result, we recommend extending the validity of the research by investigating managerial blurring of employee goals in a range of varied and diversified corporate settings.

In addition, we have found that, despite the vast amount of research on goal setting, research on goal specificity, especially in a corporate environment, is still extremely limited although research on public sector goal ambiguity corresponds to our findings but does not address intentional goal blurring by managers. Further research could, therefore, extend the work to other firms and apply quantitative analysis to this managerial behavior.

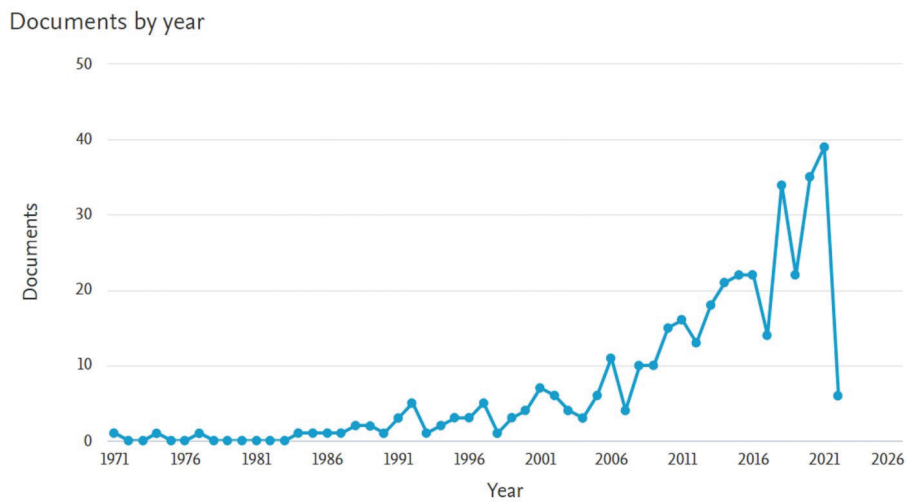
### References

- Aguinis, H. (2012). Performance management overview. In G. Cokins (Ed.), *Performance management: Integrating strategy execution, methodologies, risk, and analytics* (pp. 39–40). Wiley. doi: 10.1002/9781119205548.part2
- Anderson, D. M. & Stritch, J. M. (2016). Goal clarity, task significance, and performance: Evidence from a laboratory experiment. *Journal of Public Administration Research and Theory*, 26(2), 211–225. doi: 10.1093/jopart/muv019
- Armstrong, K. & Ward, A. (2005). *What makes an effective performance management*. Work Foundation. Retrieved from <https://www.lancaster.ac.uk/work-foundation/>
- Armstrong, M. (2017). *Armstrong's handbook of performance management* (4th ed.). KoganPage. Retrieved from <https://www.koganpage.com/product/armstrong-s-handbook-of-performance-management-9780749481209>
- Austin, J. T. & Vancouver, J. B. (1996). Goal constructs in psychology: Structure, process, and content. *Psychological Bulletin*, 120(3), 338–375. doi: 10.1037/0033-2909.120.3.338
- Barsky, A. (2008). Understanding the ethical cost of organizational goal-setting: A review and theory development. *Journal of Business Ethics*, 81(1), 63–81. doi: 10.1007/s10551-007-9481-6
- Bateman, T. S. & Barry, B. (2012). Masters of the long haul: Pursuing long-term work goals. *Journal of Organizational Behavior*, 33(7), 984–1006. doi: 10.1002/job.1778
- Bersin, J. (2020). Can SuccessFactors lead the HCM market again? It could be coming. *Josh Bersin*. Retrieved from <https://joshbersin.com/2020/03/can-successfactors-lead-the-hcm-market-again-it-could-be-coming/>
- Beitin, B. (2012). Interview and sampling: how many and whom. In *The SAGE Handbook of Interview Research: The Complexity of the Craft* (2nd ed., pp. 243–254). SAGE Publications, Inc. doi: 10.4135/9781452218403
- Beugré, C. D. & Baron, R. A. (2001). Perceptions of systemic justice: The effects of distributive, procedural, and interactional justice. *Journal of Applied Social Psychology*, 31(2), 324–339. doi: 10.1111/j.1559-1816.2001.tb00199.x
- Botti, A. & Monda, A. (2019). Goal ambiguity in public organizations: A systematic literature review. *International Journal of Business and Management*, 14(7), 137. doi: 10.5539/ijbm.v14n7p137
- Bozkurt, T., Bektas, F., Ahmed, M. J., Kola, V. et al. (2017). Application of goal setting theory. *PressAcademia*, 3(1), 796–801. doi: 10.17261/pressacademia.2017.660
- Bromley, P. & Powell, W. W. (2012). From smoke and mirrors to walking the talk: Decoupling in the contemporary world. *Academy of Management Annals*, 6(1), 483–530. doi: 10.1080/19416520.2012.684462
- Brown, T. C. & Latham, G. P. (2002). The effects of behavioural outcome goals, learning goals, and urging people to do their best on an individual's teamwork behaviour in a group problem-solving task. *Canadian Journal of Behavioural Science/Revue Canadienne des Sciences du Comportement*, 34(4), 276–285. doi: 10.1037/h0087180
- Bryant, A. & Charmaz, K. (2007). *The SAGE handbook of grounded theory*. Sage.
- Button, S. B., Mathieu, J. E. & Zajac, D. M. (1996). Goal orientation in organizational research: A conceptual and empirical foundation. *Organizational Behavior and Human Decision Processes*, 67(1), 26–48. doi: 10.1006/obhd.1996.0063
- Calciolari, S., Cantù, E. & Fattore, G. (2011). Performance management and goal ambiguity: Managerial implications in a single payer system. *Health Care Management Review*, 36(2), 164–174. doi: 10.1097/HMR.0b013e318204bcb8
- Chesney, A. A. & Locke, E. A. (1991). Relationships among goal difficulty, business strategies, and performance on a complex management simulation task. *Academy of Management Journal*, 34(2), 400–424. doi: 10.5465/256448
- Chun, J., Brockner, J. & De Cremer, D. (2018, March 22). People don't want to be compared with others in performance reviews. They want to be compared with themselves. *Harvard Business Review*, 2–6.
- Chun, Y. H. & Rainey, H. G. (2005). Goal ambiguity and organizational performance in U.S. federal agencies. *Journal of Public Administration Research and Theory*, 15(4), 529–557. doi: 10.1093/jopart/mui030
- Cohen, M., March, J. & Olsen, J. A garbage can model of organization choice. *Administrative Science Quarterly*, 17, 1–25. doi: 10.2307/2392088
- Cyert, R. M. & March, J. G. (1963). *A behavioral theory of the firm*. Prentice Hall/Pearson Education.
- Doerr, J. (2018). *Measure what matters*. Penguin.
- Doran, G. (1981). There's a SMART way to write management's goals and objectives. *Management Review*, 70, 35–36.
- Drucker, P. (1954). *The practice of management*. Harper & Row.
- Drucker, P. F. (1955). 'Management science' and the manager. *Management Science*, 1(2), 115–126. doi: 10.1287/mnsc.1.2.115
- Erhel, S. & Jamet, E. (2019). Improving instructions in educational computer games: Exploring the relations between goal specificity, flow experience and learning outcomes. *Computers in Human Behavior*, 91, 106–114. doi: 10.1016/j.chb.2018.09.020

- Glaser, B. G. (1978). *Theoretical sensitivity: Advances in the methodology of grounded theory*. Sociology Press.
- Glaser, B. G. & Strauss, A. L. (1965). *Awareness of dying* (1st ed.). Routledge. doi: 10.4324/9781351327923
- Glaser, B. G. & Strauss, A. L. (1967). *The discovery of grounded theory: Strategies for qualitative research*. Sociology Press.
- Goodall, M. & Buckingham, A. (2015). Reinventing performance management. *Harvard Business Review*, 93(4), 40–50. Retrieved from <https://hbr.org/2015/04/reinventing-performance-management>
- Greenwood, R. C. (1981). Management by objectives: As developed by Peter Drucker, assisted by Harold Smiddy. *Academy of Management Review*, 6(2), 225–230. doi: 10.5465/amr.1981.4287793
- Grossi, G., Mauro, S. G. & Vakkuri, J. (2018). Converging and diverging pressures in PBB development: The experiences of Finland and Sweden. *Public Management Review*, 20(12), 1836–1857. doi: 10.1080/14719037.2018.1438500
- Hamet, J. & Maurer, F. (2017). Is management research visible outside the academic community? *M@n@gement*, 20(5), 492–516. doi: 10.3917/mana.205.0492
- Heckhausen, J. & Heckhausen, H. (2018). *Motivation and action*. Cambridge University Press. doi: 10.1017/CBO9780511499821
- Hewer, P. & Brownlie, D. (2017). Goal specificity and the dynamics of consumer motivation: The role of reference point focus. *Advances in Consumer Research*, 45, 346–349.
- Holton, J. & Walsh, I. (2017). *Classic grounded theory: Applications with qualitative and quantitative data* (Vols. 1–0). SAGE Publications, Inc. doi: 10.4135/978107180276
- Holton, J. A. (2010). The coding process and its challenges. *Grounded Theory Review*, 9(1), 265–289. doi: 10.4135/9781848607941.n13
- Jong, J. & Faerman, S. (2021). The role of goal specificity in the relationship between leadership and empowerment. *Public Personnel Management*, 50(4), 559–583. doi: 10.1177/0091026020982330
- Jung, C. S. (2014). Extending the theory of goal ambiguity to programs: Examining the relationship between goal ambiguity and performance. *Public Administration Review*, 74(2), 205–219. doi: 10.1111/puar.12176
- Justesen, L. & Plesner, U. (2023). Visibility management: New managerial work in digitalized organizations. *M@n@gement*, 26(3), 36–51. doi: 10.37725/mgmt.2023.7748
- Kaplan, R. S. & Norton, D. P. (1996, January-February). Using the balanced scorecard as a strategic management system. *Harvard Business Review* 74, 75–85.
- Kaspi-Baruch, O. (2018). Difference between motivational goal framing effects on creative and perceptual task performance. *Creativity Studies*, 11(2), 294–310. doi: 10.3846/cs.2018.3074
- Klein, H. J., Wesson, M. J., Hollenbeck, J. R. & Alge, B. J. (1999). Goal commitment and the goal-setting process: Conceptual clarification and empirical synthesis. *Journal of Applied Psychology*, 84(6), 885–896. doi: 10.1037/0021-9010.84.6.885
- Klein, H. J., Whitener, E. M. & Ilgen, D. R. (1990). The role of goal specificity in the goal-setting process. *Motivation and Emotion*, 14(3), 179–193. doi: 10.1007/BF00995568
- Koenig, G., Vandangeon-Derumez, I., Marty, M. C., Auroy, Y. et al. (2016). Compliance with basic rules: The challenge of dialogical, enabling and disciplinary management. *M@n@gement*, 19(1), 1–45. doi: 10.3917/mana.191.0001
- Kuhl, S. (2019). *The rainmaker effect: Contradictions of the learning organization*. Organizational Dialogue Press.
- Kumar, P., Nirmala, R. & Nandakumar, P. (2015). Relationship between performance management and organizational performance. *Acme Intellects International Journal of Research in Management, Social Sciences & Technology*, 9(9), 1–13. Retrieved from <https://ssrn.com/abstract=3399819>
- Latham, G. P., Bricic, J. & Steinhauer, A. (2017). Toward an integration of goal setting theory and the automaticity model. *Applied Psychology*, 66(1), 25–48. doi: 10.1111/apps.12087
- Latham, G. P., Ganegoda, D. B. & Locke, E. A. (2011). Goal-setting: A state theory, but related to traits. In T. Chamorro-Premuzic, S. von Stumm & A. Furnham (Eds.), *The Wiley-Blackwell handbook of individual differences* (pp. 577–587). Blackwell Publishing Ltd. doi: 10.1002/9781444343120.ch21
- Latham, G. P. & Locke, E. A. (1979). Goal setting – A motivational technique that works. *Organizational Dynamics*, 8(2), 68–80. doi: 10.1016/0090-2616(79)90032-9
- Latham, G. P. & Locke, E. A. (2006). Enhancing the benefits and overcoming the pitfalls of goal setting. *Organizational Dynamics*, 35(4), 332–340. doi: 10.1016/j.orgdyn.2006.08.008
- Latham, G. P., Seijts, G. & Slocum, J. (2016). The goal setting and goal orientation labyrinth: Effective ways for increasing employee performance. *Organizational Dynamics*, 45(4), 271–277. doi: 10.1016/j.orgdyn.2016.10.001
- Lee, J. W., Rainey, H. G. & Chun, Y. H. (2010). Goal ambiguity, work complexity, and work routineness in federal agencies. *The American Review of Public Administration*, 40(3), 284–308. doi: 10.1177/0275074009337
- Locke, E. A. (1996). Motivation through conscious goal setting. *Applied and Preventive Psychology*, 5(2), 117–124. doi: 10.1016/S0962-1849(96)80005-9
- Locke, E. A., Chah, D.-O., Harrison, S. & Lustgarten, N. (1989). Separating the effects of goal specificity from goal level. *Organizational Behavior and Human Decision Processes*, 43(2), 270–287. doi: 10.1016/0749-5978(89)90053-8
- Locke, E. A. & Latham, G. P. (1990). *A theory of goal setting & task performance*. Prentice-Hall.
- Locke, E. A. & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American Psychologist*, 57(9), 705–717. doi: 10.1037/0003-066X.57.9.705
- Locke, E. A. & Latham, G. P. (2013). *New developments in goal setting and task performance*. Routledge. doi: 10.4324/9780203082744
- Locke, E. A. & Latham, G. P. (2019). The development of goal setting theory: A half century retrospective. *Motivation Science*, 5(2), 93–105. doi: 10.1037/mot0000127
- Locke, E. A., Shaw, K. N., Saari, L. M. & Latham, G. P. (1981). Goal setting and task performance: 1969–1980. *Psychological Bulletin*, 90(1), 125–152. doi: 10.1037/0033-2909.90.1.125
- Locke, E. A. & Somers, R. L. (1987). The effects of goal emphasis on performance on a complex task. *Journal of Management Studies*, 24(4), 405–411. doi: 10.1111/j.1467-6486.1987.tb00453.x
- Lunenburg, F. C. (2011). Goal-setting theory of motivation. *International Journal of Management, Business and Administration*, 15(1), 1–6. Retrieved from <http://www.nationalforum.com/ElectronicGoal-Setting2011.pdf>
- Martin, V. B. (2006). The relationship between an emerging grounded theory and the existing literature: Four phases for consideration. *Grounded Theory Review*, 5(2–3), 47–50.
- McDonald, D. & Smith, A. (1995). A proven connection: Performance management and business results. *Compensation & Benefits Review*, 27(1), 59. doi: 10.1177/088636879502700111
- Melnyk, S. A., Bititci, U., Platts, K., Tobias, J. et al. (2014). Is performance measurement and management fit for the future? *Management Accounting Research*, 25(2), 173–186. doi: 10.1016/j.mar.2013.07.007
- Mento, A. J., Steel, R. P. & Karren, R. J. (1987). A meta-analytic study of the effects of goal setting on task performance: 1966–1984. *Organizational Behavior and Human Decision Processes*, 39(1), 52–83. doi: 10.1016/0749-5978(87)90045-8

- Mikami, Y. (2017). Relationships between goal setting, intrinsic motivation, and self-efficacy in extensive reading. *JACET Journal*, 61, 41–56. doi: 10.32234/jacetjournal.61.0\_41
- Mitchell, T. R. & Daniels, D. (2003). Motivation. In W. C. Borman, D. R. Ilgen, & R. J. Klimoski (Eds.), *Handbook of psychology: Industrial and organizational psychology* (Vol. 12, pp. 225–254). John Wiley & Sons, Inc. doi: 10.1002/0471264385.wei1210
- Modell, S. (2022). New developments in institutional research on performance measurement and management in the public sector. *Journal of Public Budgeting, Accounting & Financial Management*, 34(3), 353–369. doi: 10.1108/JPBAFM-04-2021-0070
- Mueller-Hanson, R. A. & Pulakos, E. D. (2015). *Putting the 'performance' back in performance management*. SHRM-SIOP Science of HR White Paper Series, 1–27. Retrieved from [https://www.siop.org/Portals/84/docs/SIOP-SHRM%20White%20Papers/SHRM\\_SIOP\\_Performance\\_Management.pdf](https://www.siop.org/Portals/84/docs/SIOP-SHRM%20White%20Papers/SHRM_SIOP_Performance_Management.pdf)
- Ogbeivi, O. (2017). Why written objectives need to be really SMART. *British Journal of Healthcare Management*, 23(7), 324–336. doi: 10.12968/bjhc.2017.23.7.324
- Oppi, C., Campanale, C. & Cinquini, L. (2022). Ambiguity in public sector performance measurement: A systematic literature review. *Journal of Public Budgeting, Accounting and Financial Management*, 34(3), 370–390. doi: 10.1108/JPBAFM-09-2020-0167
- Rainey, H. G. & Bozeman, B. (2000). Comparing public and private organizations: Empirical research and the power of the a priori. *Journal of Public Administration Research and Theory*, 10(2), 447–470. doi: 10.1093/oxfordjournals/jpart.a024276
- Rainey, H. G. & Jung, C. S. (2015). A conceptual framework for analysis of goal ambiguity in public organizations. *Journal of Public Administration Research and Theory*, 25(1), 71–99. doi: 10.1093/jopart/muu040
- Rodgers, R. & Hunter, J. E. (1991). Impact of management by objectives on organizational productivity. *Journal of Applied Psychology*, 76(2), 322–336. doi: 10.1037/0021-9010.76.2.322
- Sari, I. G. A. D. I. & Dwirandra, A. A. N. B. (2019). The ability of organization commitment and moderate worked motivation by the effect of budget goal clarity in budgetary inaccuracy. *International Research Journal of Management, IT and Social Sciences*, 6(3), 11–17. doi: 10.21744/irjmis.v6n3.622
- Sawyer, J. E. (1992). Goal and process clarity: Specification of multiple constructs of role ambiguity and a structural equation model of their antecedents and consequences. *Journal of Applied Psychology*, 77(2), 130–142. doi: 10.1037/0021-9010.77.2.130
- Schall, M. S. (1983). A communication-rules approach to organizational culture. *Administrative Science Quarterly*, 28(4), 557–581. doi: 10.2307/2393009
- Schweitzer, M. E., Ordóñez, L. & Douma, B. (2004). Goal setting as a motivator of unethical behavior. *Academy of Management Journal*, 47(3), 422–432. doi: 10.5465/20159591
- Scott, M. L. & Nowlis, S. M. (2013). The effect of goal specificity on consumer goal reengagement. *Journal of Consumer Research*, 40(3), 444–459. doi: 10.1086/670766
- Seijts, G. H. & Latham, G. P. (2005). Learning versus performance goals: When should each be used? *Academy of Management Executive*, 19(1), 124–131. doi: 10.5465/AME.2005.15841964
- Seijts, G. H., Latham, G. P., Tasa, K. & Latham, B. W. (2004). Goal setting and goal orientation: An integration of two different yet related literatures. *Academy of Management Journal*, 47(2), 227–239. doi: 10.5465/20159574
- Shields, J. (2007). *Managing employee performance and reward. Concepts, practices, strategies*. Cambridge University Press. doi: 10.1017/CBO9781139168748
- Smith, K. G., Locke, E. A. & Barry, D. (1990). Goal setting, planning, and organizational performance: An experimental simulation. *Organizational Behavior and Human Decision Processes*, 46(1), 118–134. doi: 10.1016/0749-5978(90)90025-5
- Sousa, C. A. A. & Hendriks, P. H. J. (2006). The diving bell and the butterfly: The need for grounded theory in developing a knowledge-based view of organizations. *Organizational Research Methods*, 9(3), 315–338. doi: 10.1177/1094428106287399
- Steers, R. M. (1975). Task-goal attributes, *n* achievement, and supervisory performance. *Organizational Behavior and Human Performance*, 13(3), 392–403. doi: 10.1016/0030-5073(75)90058-6
- Sull, D. & Sull, C. (2018). With goals, FAST beats SMART. *MIT Sloan Management Review*, 59(4), 1–14. Retrieved from <https://sloanreview.mit.edu/article/with-goals-fast-beats-smart/>
- Sweller, J., Mawer, R. F. & Ward, M. R. (1983). Development of expertise in mathematical problem solving. *Journal of Experimental Psychology: General*, 112(4), 639–661. doi: 10.1037/0096-3445.112.4.639
- Taing, M. U., Smith, T., Singla, N., Johnson, R. E. et al. (2013). The relationship between learning goal orientation, goal setting, and performance: A longitudinal study. *Journal of Applied Social Psychology*, 43(8), 1668–1675. doi: 10.1111/jasp.12119
- Taylor, M. S., Locke, E. A., Lee, C. & Gist, M. E. (1984). Type A behavior and faculty research productivity: What are the mechanisms? *Organizational Behavior and Human Performance*, 34(3), 402–418. doi: 10.1016/0030-5073(84)90046-1
- Tosi, H. L., Rizzo, J. R. & Carroll, S. J. (1970). Setting goals in management by objectives. *California Management Review*, 12(4), 70–78. doi: 10.2307/41164307
- van der Hoek, M., Groeneveld, S. & Kuipers, B. (2018). Goal setting in teams: Goal clarity and team performance in the public sector. *Review of Public Personnel Administration*, 38(4), 472–493. doi: 10.1177/0734371X16682815
- Vanderstoep, S. & Johnston, D. (2009). *Research methods for everyday life: Blending qualitative and quantitative approaches*. Wiley.
- Vollmeyer, R., Burns, B. D. & Holyoak, K. J. (1996). The impact of goal specificity on strategy use and the acquisition of problem structure. *Cognitive Science*, 20(1), 75–100. doi: 10.1016/S0364-0213(99)80003-2
- Wallace, S. G. & Etkin, J. (2018). How goal specificity shapes motivation: A reference points perspective. *Journal of Consumer Research*, 44(5), 1033–1051. doi: 10.1093/jcr/ucx082
- Walsh, I., Holton, J. A. & Mourmant, G. (2020). *Conducting classic grounded theory*. Sage.
- Wegge, J. & Haslam, S. A. (2005). Improving work motivation and performance in brainstorming groups: The effects of three group goal-setting strategies. *European Journal of Work and Organizational Psychology*, 14(4), 400–430.
- Wood, R. E., Mento, A. J. & Locke, E. A. (1987). Task complexity as a moderator of goal effects: A meta-analysis. *Journal of Applied Psychology*, 72(3), 416–425. doi: 10.1037/0021-9010.72.3.416

Appendices



**Appendix A.** Number of publications on goal setting theory, 1971–2021  
Source: Scopus, 2022

Appendix B. Interviewees’ details

**Table B1.** Details of interviewees

Code*	Position	Department	Gender
RIS_DH_F	Department Head	Overhead	F
BOD_GM_M_CB	General Manager	Overhead	M
RIS_DH_F_PA	Department Head	Overhead	F
BOD_GM_M_BI	General Manager	Overhead	M
RIS_DH_M_KT	Department Head	Overhead	M
RIS_SM_F_SE	Senior Manager	Overhead	F
RIS_DH_M_MH	Department Head	Overhead	M
RIS_HD_M_KG	Head of Division	Overhead	M
COL_GM_M_SJ	General Manager	Overhead	M
RIS_DI_M_HG	Manager	Overhead	M
RIS_GM_M_BF	General Manager	Overhead	M
RIS_DH_M_GT	Department Head	Overhead	M
RIS_DH_M_SM	Department Head	Overhead	M
RIS_GM_M_AZ	General Manager	Overhead	M
RIS_SM_F_FM	Senior Manager	Overhead	F
RIS_DH_M_HR	Department Head	Overhead	M
RIS_DH_M_KP	Department Head	Overhead	M
RIS_DH_M_TP	Department Head	Overhead	M
KBD_HD_M_WL	Head of Division	Sales	M
ITD_HD_M_JT	Head of Division	IT	M
ITD_GM_M_BF	General Manager	IT	M
ITD_GM_M_CG	General Manager	IT	M
ITD_DH_F_HI	Department Head	IT	F

(Continued)

**Table B1.** Details of interviewees

Code*	Position	Department	Gender
ITD_DH_M_HV	Department Head	IT	M
ITD_DH_M_KD	Department Head	IT	M
ITD_DH_M_GP	Department Head	IT	M
ITD_DH_F_DJ	Department Head	IT	F
ITD_DH_F_HB	Department Head	IT	F
ITD_DH_F_TS	Department Head	IT	F
ITD_DH_M_VB	Department Head	IT	M
ITD_DH_M_NP	Department Head	IT	M
ITD_GM_M_RZ	General Manager	IT	M
STR_DV_M_BL	Head of Division	Overhead	M
RET_DH_M_KA	Head of Division	Sales	M
RET_GM_F_FA	General Manager	Sales	F
RET_GM_M_VT	General Manager	Sales	M
RET_GM_M_CP	General Manager	Sales	M
STR_DH_M_SA	Department Head	Overhead	M
STR_GM_M_KA	General Manager	Overhead	M
STR_GM_M_MT	General Manager	Overhead	M

Note: \* interviewees have been coded to preserve anonymity using organizational position, division and gender

Source: own elaboration

## Appendix C. Further illustrations of our coding

**Table C-1.** Detailed information about conflict avoidance

Examples of verbatim extracted from interviews and memos	Source	Categories	# Coding occurrences	# Conceptual memos	Dimensions of ...	Leading to ...
The company is doing well, and employees would not gain from it? In these conditions, employees would not accept not getting full bonus.	RIS_GM_M_AZ_2	Employee pressure	29	11	Conflict avoidance	Goal blurring
Bonus is considered as a base salary, mostly by older colleagues, who are there for a long time.	RIS_DH_M_KT					
My lowest valuation was 80%. I did not go lower; still colleagues almost 'killed' me when they did not get 100%.	RIS_DH_M_KT					
As a team, we cry together; we laugh together. If the team does well, members of the team consider everybody should get their share of the bonus.	RIS_DH_M_TP	Team pressure	6	2		
Many managers play the role of a union leader; pressurized by the people that they represent. We need a system where managers do not represent employees because they are their boss. We need a bonus pool that can be paid out only in case of overperformance.	KBD_HD_M_WL					
We are a team. It hurts more if I take away 10% than if I give 10%.	STR_GM_M_KA					
Setting at least 50% challenging goals does not fit into the culture. You cannot make mistakes here. Efficiency objectives can be quantitative, while others are not.	BOD_GM_M_CB	Organizational culture	11	7		
There is always communication that the one-month bonus must be paid to employees.	RIS_DH_F_PA					
If you can read in company magazine that average performer get 90% if they perform well that would be fine. Otherwise there is no money to incentivize exceptional employees.	RIS_DH_F_PA					

Source: own elaboration

**Table C-2.** Detailed information about PM systems structure

Examples of verbatim extracted from interviews and memos	Source	Categories	# Coding occurrences	# Conceptual memos	Resulting in ...	Leading to ...
They have fixed one monthly bonus payment. The problem is that when somebody joins, they see the bonus payment only 1.5 years after their recruitment. Three years ago, this was an advantage because other employers did not pay bonus. Now, there is no advantage remaining. We just need to make sure that they receive the bonus to compensate for lower base salary.	ITD_DH_M_HV	Pay structure	9	2	PM Systems structure	Specifying capability OR Goal blurring
Base salary is low compared to the labor market. We need to negotiate with prospective employees because everybody considers base salary when making a decision. Accordingly, we need to state that bonus is always paid out.	ITD_HD_M_JT					
We should reduce bonus payment to not more than 3–4 months with higher base salary. As it is not so, this is why people are willing to 'kill' for their bonus.	RIS_HD_M_KG					
Goals are not transparent; we do not know each other's goals. Maybe this is why we cannot achieve things. Transparency would increase specificity because everybody could see other people's goals.	ITD_DH_M_GP	Transparency	10	2		
There is no transparency about what is happening in other parts of the organization. Obviously, I do not want to penalize my own employees. There is no standard expectation. Why should we penalize our team when nobody else is doing it? This leads to aim at being less specific, so that at the end of the day, we have the flexibility to evaluate who performed according to expectations. I know this is not being taught in school manuals.	RIS_GM_M_AZ_2					
There is no calibration between divisions. For example, somebody might be underrated or overrated. However, we do not know if it is real because we do not have calibration. We cannot identify the overperformers.	RIS_GM_M_AZ_2					
There are too many KPIs to follow them properly. We have 25–30 KPIs, and that is not manageable. We use quantitative goals at a higher level, but the lower-level goals are not so quantitative as they would not make sense. We need more freedom.	BOD_GM_M_BI	Number of goals	7	1		
We need to put many tasks into the goals. Many times, it would be enough to have only one goal. If we have too many, it is challenging to keep them focused and difficult to evaluate things. I need to compress all these into one more generic goal.	ITD_DI_M_KD					
We have started cascading goals from the division head. We only can give 3–4 goals, but they cannot be specific. Therefore, we had to merge strategic projects into one goal. We follow completions also, but not everything went into the goals.	RIS_GM_M_AZ_2					
We would need to set goals earlier. If we could, we should set them one year ahead. But, in our firm, it is too early to be specific about goals.	ITD_GM_M_CG	PM process	12	6		
We got two weeks to define goals. It would be enough if there was no other work to be done. We need to define the schedule ahead of time or allocate enough time to do this correctly, otherwise we just write the most important goals and try to be flexible with the definitions.	RIS_DH_F_PA					
There is no quality control. It happens that there is no agreement on the goals until almost the end of the year. How can we set goals correctly and exactly this way?	RIS_HD_M_KG					

Source: own elaboration

**Table C-3.** Coding occurrences for concepts and relationships – Summary

Concepts	# of Coding occurrences	
	Verbatims	Conceptual memos
Goal Orientation	8	7
PM Systems Structure	38	11
Profiling	20	17
Desire for Flexibility	47	20
Conflict Avoidance	46	20
Goal Blurring	129	
Specifying Capability	47	
Goal Specificity	176	2
Relationships	Verbatims	
Goal orientation → Specifying capability	8	
PM System Structure → Specifying capability	22	
Profiling → Specifying capability	17	
Goal orientation → Goal blurring	3	
PM System Structure → Goal blurring	23	
Profiling → Goal blurring	10	
Desire for Flexibility → Goal blurring	47	
Conflict Avoidance → Goal blurring	46	
<b>Total</b>	<b>687</b>	<b>77</b>

Source: own elaboration