Centralization in Decentralization

- A case study of centralized goal-settings effect on employee motivation in a multiunit organization

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Abstract

With this study we aim to create an understanding about motivational effect of using centralized goal-setting in multiunit organizations. Multiunit organizations are often decentralized in their structure, allowing units and their employees to have control over their day-to-day activities and decisions. At the same time, the organization requires control in order to create uniformity. A way to impose control is by using performance targets for the units and its employees. The employees are used to being self-directed in their work, and we have researched how this central form of control will affect their motivation.

In order to illustrate this, we have conducted a qualitative case study at different units in a banking and insurance company in Sweden. Goal-setting has increased in this industry, and at the same time, employees have the mandate to make decisions about their daily work at a local level. We therefore argue that using a multiunit company in this industry will illustrate the motivational effect of centrally assigned goals. We have conducted ten semi-structured interviews with sales employees and with two managers of Organization X. Our research approach to this study is of an abductive character, as our process has been back and forth between existing theory and findings from our research.

The mainly intrinsically motivated employees in this case expressed an understanding of the assigned goals. However, they had difficulties being committed to the goals because they felt that the goals were set too far away from their local market. Sales employees in this type of organizational structure are used to have the mandate to control their day-to-day work activities, and therefore it becomes frustrating for them to partly be controlled in terms of sales targets. Centralized assigned goals have a negative effect on motivation for most of the employees, who have trouble accepting and feeling committed to the goals. However, the assigned goals can temporarily trigger motivation to sell certain products, for example through a competition. We argue that the distribution of the centrally assigned goals have to be well communicated and explained to the employees, and that organizations give room for local adjustment of the centrally assigned goals.
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1. Introduction

1.1 Background

An organizational structure that has characteristics of both centralization and decentralization is the multiunit organization. Multiunit organizations are starting to dominate practically every service industry where there is direct contact between the customer and the organization, such as retail, banking and insurance, meanwhile being increasingly important to the world economies (Ingram & Baum, 1997, p.69; Garvin & Levesque, 2008, p.108). Multiunit organizations are often mid- to large size and practice a mix of centralization and decentralization throughout the organizations. Jacobsen & Thorsvik (2008, p.92) identifies advantages and disadvantages with centralized decision-making; the advantages are that it creates uniformity, sends clear signals to the employees and provides a clear path for the organization. On the other hand, the disadvantages are that it can have a negative effect on the employees’ motivation and creativity. The degree of centralization and standardization reduce the flexibility and autonomy and increase control, which may result in a decreased level of self-determination, and also a reduced level of intrinsic motivation among the employees (Sherman & Smith, 1984, p.883).

Multiunit organizations impose certain challenges; they need to practice a certain degree of standardization; products, services, and policies are often the same for all units of the organization. Products can be both tangible products, such as credit cards, and intangible products as for example a service within banking or insurance. Meanwhile the organizations have to adapt to the regional markets that they are in, on a regional and unit level, decisions are decentralized and can be made based on their local customers and conditions. Multiunit organizations have to find the right balance between local responsiveness and uniformity (Garvin & Levesque, 2008, p.109). A multiunit organization is often more towards a decentralized structure, where certain decision-making is left to the units (Mintzberg, 1983, p.217). If the organization is a bank for example, units can make decisions regarding their daily activities such as who will receive a loan or what insurance to offer a customer. However, the organization still requires control from the top of the organization down to the lower levels. While the activities are dispersed, there is still a common system for control and communication in order to create uniformity (Greve, 2003, p.111). The headquarter of the organization are often facing decisions regarding for example performance targets, product positioning, and size of the annual budget (Garvin & Levesque, 2008, p.109). Based on the annual budget, the regions and the units receive separate performance targets as they are often measured separately. When performance goals are distributed among the units of the organization, they are by extension transferred to the individual employees.

Many multiunit organizations in sales use assigned goals, such as sales targets, in order to motivate and control their employees (Fu, Richards & Jones. 2009, p.278). The use of goal-setting in business organizations is almost universal (Merchant & Van der Stede, 2007, p.333), and it can have both positive and negative effects on employee motivation (Ordóñez, Schweitzer, Galinsky & Bazerman, 2009, p.11). It has been an increased focus on measuring sales performance and customer satisfaction on an
individual level in the bank/insurance industry (Finansförbundet, 2013). In addition, many employees describe an increased focus on selling and close monitoring in their daily work (Finansförbundet, 2013).

A North American review of goal-setting and task performance studies concluded that between 1968 and 1980, 90% of the studies found that challenging goals lead to higher performance than soft goals, or no goals at all (Locke et al., 1981, p.125). Goal-setting, including centralized goals, can have negative effects within an organization through increased risk taking and unethical behavior, low collaboration among employees, a too narrow focus and a hinder for learning (Ordóñez et al., 2009, pp.8-12). Another drawback of goal-setting in an organization is that employees may focus on quantity such as selling more products instead of quality as for example more service and vice versa depending on the organization’s focus (Latham, 2004, p.129). On the other hand, people with very specific goals are more even in their performance than those who have vague goals (Latham & Locke, 1991, p.216). Goals are also the standard of which people tend to evaluate their own performance, and therefore the more often one would succeed in reaching the goals, the more often one would feel satisfied and motivated (Latham & Locke, 1991, p.231). Some researchers claim that goals work best if they are participatively set (Vroom, 1964, p.267; Merchant & Van Der Stede, 2007, p.240), and that goals should be realistic but challenging to the individual (Fu et al., 2009, p.278; Locke, Shaw, Saari & Latham 1981, p.145).

Previous research has examined goals, effort and self-efficacy connected to the salesperson performance (Fu et al., 2009, p.277). Studies have shown a strong relationship between goal levels in terms of difficulty and sales performance (Wood, Bandura & Bailey 1990, p.198; Locke & Latham, 1990, p.220). Although conflicting results has emerged, for example assigned goals that are too high may not lead to improved performance (Fu et al., 2009, p.278). The degree to which employees are motivated to perform the task is dependent on factors such as involvement, commitment and previous performance (van Riel, Berens & Dijkstra 2009, p.1201). Employees with customer contact, like within the banking and insurance industry, can sometimes be seen as stuck-in-the-middle between meeting productivity targets, external quality goals, while fulfilling the needs of their customers (Yee, Yeung & Cheng et al., 2008, p.653). Organizations with customer contact should focus on improving employee motivation in order to have a high level of service quality (Yee et al., 2008, p.662). Motivation is the center of a productive and innovative organization; therefore, it is important for an organization and its managers to understand motivation to be able to satisfy the needs of the employees (Bloisi et al., 2007, pp.195-196). In a competitive industry where customers view products and services as fairly homogenous, it is important for companies to distinguish themselves, which can be done by the people working in the organization (Kotler & Keller, 2009, p.407).

In management studies, motivation as well as goal-setting are two commonly researched topics (Latham & Pinder, 2005, p.486, 496). Motivation and goal-setting have been studied for a long time; many of the ideas and theories used today emerged in the 1960’s and 1970’s. While other fields of management such as leadership, groups and teams, and organization design continue to develop; substantive theoretical developments focusing on work motivation have not kept pace (Steers, Mowday & Shapiro, 2004, p.383; Latham & Pinder, 2005, p.507). Motivational theories can be useful, however, they do not explain what motivates a particular group or a particular
individual (Lundberg, Gudmundson & Andersson, 2009, p.891) Furthermore, more research on motivation and goal-setting is needed to establish how previous research in these areas applies to work settings (Kanfer, 2012, p.468). Ordóñez et al. (2009, p.14), argue for a new generation of goal-setting research that identifies both positive and negative effects of goal-setting. While theoretical developments on work motivation may have declined in recent years, the world of work has changed dramatically: companies are both downsizing and expanding, often at the same time in different divisions and levels of the hierarchy (Steers et al., 2004, p.383).

The question of whether to use centralized control has been a debated topic in management literature (Zábojník, 2002, p.2). In spite of its importance, the multiunit organization on the other hand, has received little academic attention; while the multidivisional firm is commonly described in organization literature, multiunit firms are often not mentioned (Garvin & Levesque, 2008, p.108). Locke and Latham (2004, p.392), argues that the level of centralization and decentralization has motivational consequences, and therefore they argue motivational theories should be further researched in connection to organizational structure. Research in motivation tend to be rather general, and should therefore be put into more specific contexts (Deci & Ryan, 2012, p.86) In this research we therefore want to explore it from a multiunit organizational perspective, since that organizational structure have received relatively little academic attention. We want to look at sales organizations with close customer contact, as we believe their motivation to be important. Because motivation theories needs to be researched in new contexts, we find it interesting to see how centralized goal-setting works in combination with multiunit organizations, which have a decentralized organizational structure with centralized control.

**Research Question**

*How does centralized goal-setting affect motivation of sales employees with close customer contact in multiunit organizations?*

**1.2 Purpose**

We aim to create an understanding about motivational effect of using centralized goal-setting in multiunit organizations with close customer contact. We want to gain an understanding about the role the centralized and decentralized characteristics of multiunit organizations play in this motivational study. We want this study to contribute to filling the theoretical gap that exists in this research area. This study will increase managers and organizations understanding of the relationship between centralized goal-setting and motivation in the structure of multiunit organizations. An increased understanding will lead to a deeper knowledge in how to use goals in order to have a motivated workforce.

In order to visualize this study, we will conduct a case study at an organization operating in the banking and insurance industry in Sweden. As previously mentioned, goal-setting has increased in this industry, and at the same time, employees have the mandate to make decisions about their daily work at a local level. We therefore argue that using a multiunit company in this industry will illustrate the motivational effect of assigned goals.
1.3 Explanation of concepts

**Centralization/Decentralization**
“The level of power over decisions made in the organization” (Mintzberg, 1983, p.95).
A centralized organization is an organization where the decisions are made from the top whereas a decentralized organization is characterized by decision-making lower in the organization (Siggelkow & Levinthal, 2003, pp.650-651).

**Concentrated/Dispersed**
The physical or geographical location of an organization. A Concentrated organization is located in the same place whereas a dispersed organization is located in several places (Mintzberg, 1983, p.99).

**Motivation**
“Internal and external factors that stimulate desire and energy in people to be continually interested and committed to a job, role or subject, or to make an effort to attain a goal”. (Business dictionary, 2013)

**Performance**
“Behavior that has been evaluated or measured as to its contribution to organizational goals” (Bloisi et al., 2007, p.252)

**Centralized Goal-setting**
In this study when we refer to centralized goal-setting we mean sales goals that are assigned to the employee without the employees’ participation.

**Multinunit organization**
A multinunit organization is a geographically dispersed organization with standardized units, which can be categorized into regions or divisions where every level has its own set of managers (Garvin & Levesque, 2008, p.108).
2. Theoretical methodology

This chapter will start with a description of our pre-understanding. Thereafter, our philosophical view of the world and knowledge will be demonstrated followed by the research approach in this study. Furthermore, an explanation of how we have searched for literature and criticism of sources we have used will be provided.

2.1 Pre-Understanding

Our pre-understanding have an impact on why we chose the topic we did, and on how we view the issue at hand (Thurén, 2007, p.58). It has also had an impact on the perspective from which we view things, as well as on the analysis and conclusions that we draw. Studying the last year at the International Business Program at Umeå University, we have certain pre-understandings of business administration and on the chosen topic in goal-setting and motivation. We have studied Management on master level and have thereby acquired a deeper pre-understanding about the research area. Several courses that we have studied throughout this education will be helpful to us when writing this thesis, such as Organization and Management of the firm, People-The Human Side of Organizing, Business Communication, and Sociology-Leadership and Organizational Theory. These courses are relevant for the topic of goal-setting, motivation and organizational structure and will give us a base for our theoretical framework in this study. We believe that our academic pre-understanding will be beneficial for our thesis, as it has given us an understanding for the theoretical framework and increased our personal understanding of the topic.

Furthermore, Karin has worked as a cashier at a Swedish bank, and as a marketing intern in China, and has thereby service and sales experience where she has worked with assigned goals and providing customers with the service they demanded. Sofia has worked with sales questions at American Swedish Institute and Ica Supermarket and has also worked with sales-goals. She has worked with goals such as increasing the profit margin of frozen goods and to maximize profit in price setting. Since we have both worked in different positions in various companies our practical experience has improved the understanding in how organizations can work with goal-setting systems. The practical experience will complement our theoretical knowledge we have gained from Umeå University and through our exchange studies and internships abroad.

2.2 Research Philosophy

Organizations differ in structure, design and also in the constellation of employees. Motivation among individuals also varies and therefore it is important to pay attention to how individuals are feeling and thinking (Easterby-Smith, Lowe & Thorpe, 2002, p.30). We do not believe that the sales employees motivation are constant as it can change through internal and external matters. Individuals’ motivation can change due to stress, and general well-being. Furthermore, motivation can change when the working environment changes, by certain tasks, or by personal growth needs (Herzberg, 1987, p.113). We believe that people themselves construct the reality around them rather than having the view of positivism by assuming its existence (Easterby-Smith et al., 2002, p.30). We believe that individuals together with the group create the motivation to work, and that the employees in a certain organizational setting, like a multiunit
organization, affect their own motivation together. We argue that individual motivation is affected by colleagues, work setting etc. Therefore we see motivation as social constructions, which correspond to the ontological position of constructionism (Bryman & Bell, 2011, p.21).

This study focuses on multiunit organizations using centralized goals, and we will study the motivation of sales employees in that specific context. For example the social reality of a group of construction workers may differ from a group of researchers due to factors as for example education and the people they are facing everyday. Goal-setting on the other hand, is something that already exists and does not change depending on the people who are assigned with it, and therefore we do not see goal-setting as a social construction. The goal-setting system that the employees are assigned can have an effect on their motivation and their feelings towards work. However, the goal-setting system is set for the employees and not affected by the employees who are assigned the goals.

We see that sales employees and their individual opinions towards centralized goal-setting, and our interpretations of them, are a part of this study. Furthermore, we believe that our backgrounds and pre-existing knowledge and opinions will play a part in how we form the research question and the questions we will use as the basis of our empirical data. This study will therefore have influences of subjectivity, as we can never fully disregard our pre-understandings and personal opinions throughout the research process. However, our goal is to be as objective as possible and not distort the information. We have both studied management and worked in organizations that use goal-setting, therefore we will have background opinions and experiences that indirect will affect the way we analyze and interpret data. Holding an interpretivist perspective is often considered highly suitable when conducting management research; particularly in fields such as human resource management and organizational behavior (Saunders et al., 2009, p.116). Our view is more towards interpretivism than positivism as we try to interpret what we see, based on our own pre-understandings that we have gained by studying at Umeå University and our previous work experiences. We also acknowledge that organizations differ in structure, and we want to investigate the structure of a multiunit organization in order to create an understanding of how employees’ motivation is affected by the centralized goal-setting and context that they are in.

2.3 Research Approach

In our research we want to create a discussion based on existing theories. In addition, we will consider existing theories before writing the interview questions in order to link the data to theories and to have a starting point in our analysis. However, by conducting interviews we want to gain an understanding of the research topic and hopefully to extend existing theory instead of collecting data in order to test theory as in many quantitative studies (Saunders et al., 2009, p.125). When we present the data from the interviews and draw conclusions, we will be as objective as possible in order to not distort the content of the data.

The theoretical framework has provided us with knowledge and guidelines about the area; however, we consider that the current research can be extended. It is possible to consider both inductive and deductive approaches in qualitative studies and it is not very common to be positioned in only one of them (Bryman & Bell, 2011, p.573). In order to provide a link between theory and own research it is appropriate to use a mix of
induction and deduction; this back and forth process between theory and research is called the abductive approach (Blaikie, 2000, pp.157-159), which we have used in this study. We have used well-established theories about motivation and goal-setting as a starting point, with the aim to extend it with the less researched multiunit organizational structure. By combining the inductive and deductive approaches we will contribute to existing theories rather than developing new ones (Dubois & Gadde, 2002, p.559). Our aim is to contribute with more knowledge about motivation and centralized goal-setting in multiunit organizations. Theory will act as the foundation when conducting the research; when developing research questions, and as a starting point when analyzing and interpreting the data. Therefore, we consider an abductive approach to be suitable. The empirical data collected from our investigations, which we will present as objectively as possible, will act as the basis of reflecting over the existing theory and possibly contribute with extending knowledge to the theories.

2.4 Literature Search and Critique

We started early on in our research process to identify potential theories from which we could use to analyze our data. There are many theories in the areas of goal-setting as well as motivation, and we have chosen to use several of them. Motivation theories are traditionally divided into content and process theories (Hedegaard Hein, 2012, p.17), which we have decided to do as well in order to ease the analysis process by categorizing the topic of motivation into two areas. We have chosen use content theories in order to see what factors that motivate the employees. These theories also provided us with certain conditions that need to be fulfilled in order for individuals to be motivated. Process theories; on the other hand focus on how individuals are motivated which is the focus of our study. Classical content theories are McGregor X & Y theory, and Herzberg’s dual-factor theory. Herzberg’s theory considers factors that are more work related, and we therefore find it useful for us to consider before writing our interview questions, conducting our interviews, and analyzing our data. We also believe that we will find the process theories useful, especially when analyzing our data. The information we receive in our interviews will be processed with theories about goal-setting in mind. We have chosen to use theories about multiunit organizations, centralization, and decentralization, in order to understand that organizational context and connect it to motivation and goal-setting. We will not know for certain which theories we will find most useful until we have gathered the empirical data.

When searching for academic articles we have used web-based databases that are provided by Umeå University Library, such as Business Source Premier (EBSCO). Moreover, we have searched for academic articles using Google Scholar. We have mainly used academic articles rather than articles from newspapers and other forms of media. Our aim has been to mostly use peer-reviewed articles. We have used original sources because we find it more reliable due to the risk of misinterpretation by secondary authors. When using Internet as a way of searching for information it is important to be critical to the authenticity of the author and that the results in the articles are not false, to avoid this we have used well-cited articles from academic databases (Thurén, 2005, p.19). These are examples of keywords we have used in various combinations when searching for academic articles: Motivation, Goal-Setting, Centralization, Decentralization, Multiunit Organizations, Organizational Structure, Sales Targets, Sales Organization, and Employee Performance. Furthermore we have
used the reference list of well-cited articles in order to find more writings connected to the topic.

Throughout the research process when we had gained more information about our research topic, we realized that we needed to make additions to our theoretical framework before analyzing the data. We added more information about multiunit organizational structure in order to deeply understand the context the sales employees are working in. Furthermore, we decreased focus on certain areas of centralization and decentralization in order to focus only on centralized goal-setting and not centralized power. We decided to put more focus on certain theories that we found to be more important in order to reach our purpose, meanwhile other theories became less relevant than we originally had predicted. We added more theory about intrinsic and extrinsic motivation while removing for example McClelland’s need for achievement theory, because in the end that theory was not useful in order to answer our research question. This goes in line with the abductive approach, as we were able to increase our understanding in the empirical part by adding and changing in the theoretical framework continuously through the process.

In our search for theories and facts we have tried to use up-to-date publications as much as possible in order for the information to take modern aspects into consideration. However, we have also used some theories from as far back as the 1960’s, such as Vroom’s expectancy theory and Locke’s goal-setting theory. The reason we have used these theories is because they are the original theories that are still widely used and well-cited in current articles, and we find them relevant for our study. There is a tendency of not to use “old” theories in research, however, that can be a mistake as they are the basis for more contemporary research (Johansson-Lindfors, 1993, pp.88-89). However, the main rule is that a source is more credible the more contemporary it is (Thurén, 2005, p.30). We also believe that a downside of using old theories could be that some of the theories do not take certain modern aspects of today’s society into consideration such as for example the technological development and working environment developments. However, we still believe that the theories that we chose were useful in order for us to gain an understanding about our research topic. In addition, we have tried to read up-to-date articles to complement the theories based in the 1960’s. This is also to avoid the risk that the original sources give biased information due to for example own opinions (Thurén, 2005, pp.66-67) and also to add more up-to-date information.

The theoretical framework that we have used comes from primary sources that we believe to be relevant to our purpose, such as books and journals, published for a broad audience (Saunders et al., 2009, p.69). We have chosen to use both general textbooks such as course literature in business administration and edited books by frequently cited authors. The course literature has given us a broad understanding in the subject whereas the edited books have given us a deeper knowledge about certain areas such as work motivation. In addition we have used research methodology books for guidance in the process of writing this thesis.

We have not used secondary referencing in this study, in order to avoid misinterpretations as much as possible. The risk of misinterpretations and false information increases when not going back to the original source (Thurén, 2005, p.53). Many of the books that we have used are the original theories, such as Vroom’s
expectancy theory, Locke’s goal-setting theory, and McGregor’s X and Y theory. However, we have also used information from articles that are less well cited than these theories, mainly because we want a wide range of information from multiple sources. We do not simply want to see what an individual author has said regarding a subject; we have tried to research topics more broadly than that. Furthermore, it has provided us with more up-to-date information. We also believe that the authors we have used for the methodological chapter, such as Yin (2009) and Saunders et al. (2003, 2009 & 2012), are well established and reliable within their field of expertise.
3. Theoretical framework

This chapter starts with a presentation of organizational structure including theories of centralization, decentralization, and the organizational structure of multiunit organizations. Thereafter we describe intrinsic and extrinsic motivation followed by motivation theories divided into content and process theories. To end with, we demonstrate the theories regarding goal-setting and our proposed model.

3.1 Organizational structure

3.1.1 Centralization and Decentralization

Organizations are shaped by different hierarchical structures where people on different levels in the organization have the authority or not to take own decisions (Heide, Johansson & Simonsson 2005, p.80; 83). A managerial hierarchy is common in business organizations and the organizational structure is formed depending on the environment and type of industry the organization is operating in (Alonso, Dessein & Matouschek, 2008, p.145). The structure is also formed based on the size of the firm, the geographical location and dispersion and the competition in the market (Siggelkow & Levinthal, 2003, pp.650-651). A centralized organization is an organization where the decisions are made from the top whereas a decentralized organization is characterized by decision-making lower in the organization (Siggelkow & Levinthal, 2003, p.651). What is important with the type of organizational structure is the difference in how decisions regarding strategies and goal-setting are formed and how they are transferred to the employees (Siggelkow & Levinthal, 2003, p.651). Researchers argue for a positive relationship between the degree of participation and outcomes such as motivation and performance (Black & Gregersen, 1997, p.862).

The issue of centralization versus decentralization is a debated subject in organizational design (Kates & Galbraith, 2007, p.142). The positive effects of centralization is (1) when the activities in an organization are the same such as having standardized products and services, centralized decisions will support commonality (2) the management can send out clear signals such as rules and directives to the employees which benefits both employees and also customers because they know what to expect from the company (Kates & Galbraith, 2007, pp.154-155). The downsides of a centralized organization is that it can harm motivation if there is a low level of participation, it can have some negative effects on innovation and it can reduce the flexibility and own sense of responsibility for the employees (Locke & Latham, 2004, p.392; Sherman & Smith, 1984, p.883; Jacobsen & Thorsvik, 2008, p.92). Furthermore, centralized decision-making sometimes reduces the individuals’ sense of responsibility due to the low level of influence on their particular work situation (Jacobsen & Thorsvik, 2008, p.92). In addition, the organizational structure can have motivational consequences depending on the level of centralization and decentralization of the company (Locke & Latham, 2004, p.392). In industries where there is a lot of competition, the importance of having decision making close to the customer becomes more important in order to have the ability to meet the customers’ needs when units are dispersed over the country (Karlöf, 2012, p.76).
3.1.2 Multiunit Organizations

With the progress in areas such as communication and transportation, geographically dispersed organizational forms have emerged (Sorenson & Baum, 2003, p.5). Possibly the most obvious of these organizational forms would be the multiunit organization: an organization that operates in distinct geographic markets, and often coordinates and standardizes their activities (Greve & Baum, 2001, p.1). A multiunit company is often a geographically dispersed organization with standardized units like hotels, stores, or insurance companies, which can be categorized into regions and units where the different levels has its own set of managers (Garvin & Levesque, 2008, p.108). The organizational headquarters make strategic decisions, policies and budgeting that steers the direction of the organization. The organization often has to own these units in order for them to coordinate activities and have standardized pricing across units (Kalnins & Chung, 2001, p.32). The headquarter of the organization are often facing decisions regarding for example performance targets, and annual budget, while the different levels of managers are responsible to meet certain financial or performance targets set by the organizational headquarter (Garvin & Levesque, 2008, pp.108-109). Multiunit organizations have become common in the service industry, from drug stores, to apparel and the banking industry (Ingram & Baum, 1997, p.69; Garvin & Levesque, 2008, p.108). It is important to not mix-up the multiunit organizational structure with the multidivisional structure. The latter also has units but the units are often production units that focus on different products or parts of products (Mintzberg, 1983, p.216). This structure is often used to reach distinct markets and to take advantage of the ability to use diversification (Mintzberg, 1983, p.225). The multiunit organization on the other hand, focuses on standardized products and services and has different units in order to be close to the customers.

![Figure 1: The structure of a multiunit organization](image-url)
Mintzberg writes about the same type of organization as we refer to as a multiunit organization, although he mentions it as Carbon-copy bureaucracy. He describes it as an organization that is geographically dispersed with identical products or services, such as retail stores or post offices, where the organization often centralize decision making at the center of the firm (Mintzberg, 1983, p.226). Each division can be seen as a replica; providing the same type of products or services in geographically dispersed markets (Mintzberg, 1983, p.227). Furthermore, the multiunit organizations has a structure that is more towards a decentralized structure with decisions close to the customer (Mintzberg, 1983, p.217), but that uses central control that concerns performance control to measure profit and results such as quantitative sales targets (Mintzberg, 1983, pp.226-227). This structure is sometimes seen as a decentralized structure with centralized characteristics because a multiunit organization still requires control from the top of the organization down to the unit levels (Mintzberg, 1983, p.217). The structure often requires performance control systems to measure profit, results and growth (Mintzberg, 1983, p.217). Furthermore, in order for a multiunit to work well, it is important that the organization has a standardized output such as the same product range or the same set of services. Each unit in this structure is provided with goals set by the center of the organization but is in control of their own day-to-day activities. The goals must be operational and it shall be easy to measure performance in a quantitative way in order for the organization to be one organization and not seen as many individual firms (Mintzberg, 1983, p.219).

The organizational structure of the multiunit organization possesses unique capabilities as well as challenges. The organization must satisfy its employees at the same time as satisfying the shareholders, who are interested in the performance of the organization. While the activities are dispersed, there is still a common system for control and communication (Greve, 2003, p.111). Employees with customer contact, such as in sales organizations, can sometimes be seen as stuck-in-the-middle between meeting productivity targets, external quality goals, while fulfilling the needs of their customers (Yee, Yeung & Cheng et al., 2008, p.653). In order for the organization to provide a high level of service quality, the employees also need to be motivated. Organizations, in for example in retail banking, with customer contact should focus on improving employee motivation in order to have a high level of service quality (Yee et al., 2008, p.662). Therefore, the organizations have to find the right balance between local adjustment and standardization of the units. Multiunit firms compete across markets and can choose to implement a global or a more local strategy (Greve, 2003, p.111). In a competitive market it becomes more important to be close to the customer (Karlöf, 2012, p.76), which multiunit organizations have the ability to be. However, challenges of execution do not only apply to stores, banks and restaurants; they occur whenever an organization develop strategies centrally and implement them locally which is the common case in multiunit organizations (Garvin & Levesque, 2008, p.116).

Multiunit firms try to outline clear roles and responsibilities of field managers who are all working on the same problems and dispersing responsibilities to all levels of management; in that sense the multiunit organizations are very different from traditional bureaucratic firms (Garvin & Levesque, 2008, p.109). Garvin & Levesque (2008, p.110) writes that lower level managers in multiunit organizations are often evaluated based on financial targets, and other operational activities, such as goals regarding employee satisfaction, and customer-service. However, those managers generally do not have much to say when setting those targets. Meanwhile, they are responsible for
undertakings such as motivation of employees, and follow-through of key activities (Garvin & Levesque, 2008, p.109). It has not been established what effect banking organizations management practices to reach their goals have on employees’ motivation and job performance (Kakkos & Trivellas, 2011, p.410). Better corporate performance can be achieved by having motivated employees (Nohria, Groysberg & Lee 2008, p.1) and the degree to which employees are motivated to perform the task is dependent on factors such as involvement, commitment and previous performance (van Riel, Berens & Dijkstra 2009, p.1201).

3.2 Intrinsic and extrinsic motivation

In the modern economy, a motivated workforce is often believed to be the trademark of competitive advantage (Steers et al., 2004, p.383). Individuals’ motivation varies both in the amount and the orientation of motivation (Deci & Ryan, 2000, p.54). Orientation in this context refers to the individuals underlying attitudes and goals that act as the basis of action (Deci & Ryan, 2000, p.54). Motivation can according to Alvesson & Kärreman (2007, p.258), be categorized into intrinsic and extrinsic motivation. When people are intrinsically motivated by a task, they will get involved for the enjoyment and challenge of conducting the task itself. Some researchers define intrinsic motivation as a task being interesting, while others connect it to the satisfaction an individual receives from task engagement (Deci & Ryan, 2000, p.56). Extrinsic motivation, on the other hand, is external to the individual and can involve positive as well as negative rewards or consequences (Alvesson & Kärreman, 2007, p.360). This type of motivation makes an individual try to reach a reward or avoid a punishment (Amabile, 1998, p.79).

An organization that uses centralized goal-setting, and have low involvement in the goal-setting process, can trigger extrinsic motivation by the use of for example rewards (Sachau, 2007, p.390). In addition, a high degree of centralization and standardization can reduce the flexibility and autonomy and increase control, which may result in a decreased level of intrinsic motivation (Sherman & Smith, 1984, p.883). In a multiunit organization it is common to set quantitative goals from the center of the organization down to the lower levels in order to control the outspread workforce in the different units (Fu et al., 2009, p.278). Intrinsic motivation can decline when an employee has the self-perception that his or her behavior is under external rather than internal control (Wiersma, 1992, p.103).

Activities that creates intrinsic motivation is said to be activities that in itself are rewarding, such as fulfilling a customer’s needs (Deci & Ryan, 2000, p.57). When people work out of satisfaction and enjoyment of the task itself, rather than by external pressure, they will be more creative (Amabile, 1998, pp.78-80). One advantage for organizations is that intrinsic motivation can increase simply by small changes in the organizational environment (Amabile, 1998, pp.78-80). Previous studies have shown a relationship between positive feedback and intrinsic motivation (Harackiewicz, 1979, p.1361). Furthermore, a self-directed environment that encourages the individual to take own decisions and the feeling of being challenged given that the individual have the skills to complete the challenge enhance intrinsic motivation (Deci & Ryan, 2000, p.59; Woodruffe, 2006, p.29). Centralized decision-making can sometimes reduce an individual’s sense of responsibility due to the low level of influence on their particular work situation (Jacobsen & Thorsvik, 2008, p.92). Studies have shown that deadlines (Amabile, DeJong & Lepper 1976, p.96), directives and pressure for competition can reduce intrinsic motivation (Reeve, & Deci, 1996, pp.31-32).
Because this case study is conducted at one organization in Sweden, we believe it to be important to acknowledge that motivation may differ between countries and cultures. According to Casserlöv, Swedes seems to be motivated to a large extent by intrinsic motivation; they are expected to have an interest and an inner motivation for their job. In the Swedish work environment employees often get to work independently, and are trusted with a lot of responsibilities (Casserlöv, 2012, p.50). Different management theories, for example theories of motivation, reflect the cultural environment of the author (Hofstede, 1980, p.50). Universal policies of for example financial incentives and promotions may work fairly different in different countries (Hofstede, 1980, p.62). In Sweden, work is often believed to become more intrinsically interesting when emphasis is put on wholesome interpersonal relationships rather than individual competition (Hofstede, 1980, p.56). Competition can be harmful on intrinsic motivation (Reeve & Deci, 1996, pp.31-32), but it can on the other hand trigger extrinsic motivation. We believe that this could impact how employees feel about centralized goal-setting, since employees in Sweden are used to a self-directed environment and are often towards intrinsically motivated.

3.3 Content Theories

Motivation theories can sometimes be categorized into content theory and process theory (Bassett & Lloyd, 2005, p.930). Content theories describe what motivates people at work (Analoui, 2000, p.324). These theories look at which factors that initiate and preserve a certain behavior, such as needs to fulfill (Hedegaard Hein, 2012, p.17). Further, the content theories identify the work itself and incentives as factors that are important for job satisfaction and motivation (Analoui, 2000, p.324). In order to answer our research question we, first need to identify what employees are motivated of and how the working environment and conditions contribute to work motivation.

3.3.1 McGregor’s X and Y theory

In 1960, researcher McGregor developed the X and Y theory that is commonly used as a motivation theory (Carson, 2005, pp.450-451). The theory is used to describe two different views on human working motivation based on different management practices. Theory X assumes that the average human dislikes work and wishes to avoid responsibility (McGregor, 1960, pp.33-34). In addition to that, the theory believes that because humans do not like to work, they need to be controlled and directed (McGregor, 1960, pp.33-34). Theory X hold a more classical view upon management and the “carrot and stick” theory of motivation goes relatively well along with it (McGregor, 1960, p.41). While McGregor recognizes that Theory X gives some explanation to human working behavior, he also believes that there are many observable phenomena, which are inconsistent with this view of human behavior (McGregor, 1960, p.35).

Theory Y on the other hand holds other assumptions; human beings do not inherently dislike work but rather that work can be a source of satisfaction; it assumes that people can work towards objectives if they are committed to them, and only not by being controlled or threatened by punishment (McGregor, 1960, p.47). Theory Y view humans, as being motivated by high growth needs and does not assumes that humans lack ambition or avoids responsibility (McGregor, 1960, p.47). Theory X provides
management with an easy solution for poor organizational performance while Theory Y implies that if there is poor performance it is because of the managements methods of organization and control (McGregor, 1960, p.48). Furthermore McGregor (1960, p.245) thinks that it is important that managers abandon assumptions as limited as in Theory X.

Managers with Theory X assumptions most often have low rate of participative decision-making, as in hierarchical organizations with centralized decision-making (Russ, 2011, p.829). This means that they believe that employees want to be directed and that they do not like own responsibility. Theory X managers assume that the employees are not motivated to be involved in decision-making at the workplace (Russ, 2011, p.829). This is in line with centralized decision-making and centralized goal-setting because the employees is provided with assigned goals that they cannot affect. On the other hand, Theory Y managers are more likely to involve employees in participative decision making because they believe that employees will be self-directed if they are committed to the objectives and goals (Russ, 2011, p.829). Whether the organization uses “carrots and sticks”, or if they attempt to motivate employees more intrinsically by Theory Y, we want to know how the employees’ feelings about it and if they consider it to be motivating or not. If motivated as assumed in Theory Y, that people work out of task satisfaction it is more in line with theories about intrinsic motivation. Theory X on the other hand assumes that people are more extrinsically motivated; they respond to control, and incentives. Multiunit organizations often uses both centralized goal-setting which corresponds to Theory X and decentralized decision making which is more in line with Theory Y in order to control the unanimity of the organization.

3.3.2 Herzberg’s dual-factor theory

According to Herzberg et al., (1997, pp.113-114) there are two types of needs for individuals: (1) Hygiene factors, which is largely extrinsic and (2) Motivator factors, which are more intrinsic. The hygiene factors are more extrinsic factors and can be under the control of the supervisor or someone other than the employee, also referred to as connected to job context (DeShields, Kara & Kaynak, 2002, p.132). On the other hand, the motivator factors are intrinsic and part of job content and are largely administered by the employee such as responsibility; motivation factors are needed to motivate an employee to higher performance (DeShields et al., 2002, p.132). Hygiene factors refer to job context features such as rewards, job security and working conditions. On the other hand, motivator factors are connected to job content where recognition, responsibility and challenge are some of the factors (Herzberg, Mausner & Bloch Snyderman 1993, p.114). These factors associated with job content are intrinsic, and thereby unique to individuals (Herzberg et al., 1993, p.xiii). Further research argues that satisfaction is based on recognition and personal growth which then leads to motivation (Bassett-Jones & Lloyd, 2005, p.934). The intrinsic motivators are seen as the main cause of motivation and satisfaction (Herzberg, 1987, p.113).

In a multiunit structure the units often has performance targets but operates almost as individual business (Mintzberg, 1983, p.217), this makes it possible for the employees to feel responsible over their day-to-day business which is connected to the motivational factors. Some of the factors of this theory are controlled centrally in the organization, such as company policies, while others, like task and recognition, are influenced more
locally as in the multiunit organizational structure. The hygiene factors on the other hand, does not create satisfaction and motivation at work, but needs to be fulfilled in order for an employee to not be unhappy (Herzberg et al., 1997, p.113). The hygiene factors do not directly provide job satisfaction and motivation; instead they provide neutral feelings about the job environment (Soliman, 1970, p.455). If motivators does not exist, an employee will not necessarily be dissatisfied, however, the employee will not be motivated either.

<table>
<thead>
<tr>
<th>Hygiene Factors</th>
<th>Motivational Factors</th>
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<tr>
<td>Company policies</td>
<td>Recognition</td>
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<tr>
<td>Management</td>
<td>Responsibility</td>
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<tr>
<td>Salary</td>
<td>Promotions</td>
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<tr>
<td>Interpersonal relations</td>
<td>Tasks</td>
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<td>Working Conditions</td>
<td>Performance</td>
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<td>Development Opportunities</td>
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<tr>
<td>Private Factors</td>
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<tr>
<td>Status</td>
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<td>Job Security</td>
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*Figure 2. Table of Herzberg’s dual-factor theory from Hedegaard Hein, 2012, p.138.*

The dual-factor theory has been debated in motivation and management studies because of Herzberg’s methodology of the study and the inconsistent use of terms, however there is still a valuable foundation in the theory (Sachau, 2007, pp.377-378). Sachau (2007, p.390) argues that organizations should focus on psychological growth such as responsibility to increase the level of intrinsic motivation among employees. Goal-setting can have an impact both on the motivational factors and the hygiene factors, and therefore we find Herzberg’s theory useful for us in this study. Goal-setting can affect several of Herzberg’s factors, such as self-realization, achievement, and salary. For example self-realization can be affected in a negative way if the employee does not reach a goal and by that lower his or her confidence to perform. Hygiene factors can also be affected by goal-setting because rewards are often connected to achieving a goal or doing a good result. Furthermore, organizations use of monetary rewards to motivate employees will trigger extrinsic motivation but it will not make the employees interested in their jobs and the task they are performing (Sachau, 2007, p.390). The use of hygiene factors in management is widely used through different types of incentives and bonuses, even though the use of only hygiene factors for motivation is not enough (Hedegaard Hein, 2012, p.146). We will look at both hygiene and motivational factors in this study, because goal-setting and the effects of it can have an impact on both of them.
3.4 Process theories

Process theories describes how employees are motivated and tries to explain how and why the individual is encouraged to act in a certain way (Hedegaard Hein, 2012, p.17). Process theories further concern how internal factors results in different behaviors (Bassett- Jones & Lloyd, 2005, p.930). This category of theories is dealing with the interaction between different variables that influence behavior, such as incentives, perception and needs (Analoui, 2000, p.324). We therefore believe them to become of good use in our study when we want to put together a framework of theories from which we can analyze our findings.

3.4.1 Expectancy theory

Vroom (1964, p.29) tries to answer the question “why do people work?” by concluding that the likelihood that people will work increases under two conditions: they need to have the opportunity to work, and they must prefer to work over not working. Just like us, Vroom was interested in the motivational aspect of this question, and he thereby developed the expectancy theory. Vroom (1964, p.17) describes expectancy as an employee’s “momentary belief concerning the likelihood that a particular act will be followed by a particular outcome”. Valence is the employee’s anticipated satisfaction from an outcome (Vroom, 1964, p.15). Valence and expectancy both have to be present for someone to perform an act. The model can be summarized as follows; The Valence of an outcome X, times the employee’s expectancy that act Y will be followed by outcome X, equals the force to perform act Y (Vroom, 1964, p.27). Vroom sees his models as a point of departure that needs to be adjusted to better incorporate the complexity of human behavior (Vroom, 1964, p.287). The expectancy theory can be seen as a complement to theories about needs and what is motivational (Jacobsen & Thorsvik, 2008, p.264). Needs alone are not motivational according to this theory. The expectancy theory holds that the individual has to have a strong desire for the expected reward, as it can be when someone is extrinsically motivated (Amabile, 1998, p.79). Furthermore, the individual has to believe in the correlation between the effort they make and the reward (Jacobsen & Thorsvik, 2008, p.265). That, to believe that the result one is striving for will actually result in the desired reward is referred to as expectation (Jacobsen & Thorsvik, 2008, p.265). A person must believe that achieving the result will also lead to the reward, and he or she will thereby be motivated. In order to increase performance of the employees through a reward system, an organization should strengthen the connection between the result and the desired reward. An employee can want to reach an external reward because he or she is extrinsically motivated, however a reward can also be feedback or recognition which corresponds to individuals being intrinsically motivated (Alvesson & Kårreman, 2007, p.360; Harackiewicz, 1979, p.1361).

Figure 3. Vroom’s Expectancy Theory.
Vroom’s expectancy theory has sometimes been criticized for assuming that human beings always act rationally which is not always the case (Hedegaard Hein, 2012, p.176). In spite of the criticism, the theory has turned out to have a practical value; it is common for leaders to tell their staff to expect a certain result by using systematical incentives (Hedegaard Hein, 2012, p.177). Managers that are more towards the Theory X assume that incentives such as pay and bonuses are something that employees need and in order to be motivated and to perform, employees will also try to avoid disincentives such as threats (Russ, 2011, p.825). This is also connected to extrinsic motivation where employees are in some ways motivated by external rewards and consequences (Alvesson & Kärreman, 2007, p.360).

One theory that is related Vroom’s expectancy theory is the self-efficacy theory. The self-efficacy theory takes people’s confidence in their abilities into consideration. Like stated earlier, expectancy is an individual’s belief that an action will lead to a certain outcome. An efficacy expectation is the belief that one can successfully complete the action necessary to generate the desired outcome. According to Bandura (1977, p.193) how much an individual trust in his or her own effectiveness is affecting whether he or she will even attempt to handle with a given task or situation. Self-efficacy has an impact on which activities someone decides to undertake, but also on how long one will attempt at succeeding with the activity when obstacles occur; the more perceived self-efficacy, the more efforts one will put into the activity (Bandura, 1977, p.193). Important to point out with this theory is that expectancy alone will not give the wanted performance if the abilities are missing (Bandura, 1977, pp.193-194). People will attempt to work with situations that they believe are within their self-perceived skills, but they will try to sidestep situations that they believe to exceed their abilities (Bandura, 1977, p.203). We believe that in terms of goals, this means that people with high self-efficacy will try more to achieve a difficult goal than those with lower self-efficacy. This reflects how intrinsically motivated employee will probably act, because they are motivated by challenging activities and the ability to take own decisions given that the individual have the skills to complete the challenge (Deci & Ryan, 2000, p.59; Woodruffe, 2006, p.29).

3.4.2 Locke’s goal-setting theory

Goals continue to be an important part of theories of motivation (Klein, Wesson, Hollenbeck & Alge 1999, p.885). Many researchers has used Locke’s goal setting theory in order to examine goal setting and motivation among employees (Fu et al., 2009, p.277). Even though the theory dates back as far as the 1960’s, the theory is ranked very high by organizational behavior scholars, and highly valued in the list of motivation theories (Miner, 2003, p.252). Research on goal-setting has developed after Locke’s (1968) seminal work where new insights about the motivating effect of goal setting on performance is one of the most replicable findings in the research area (Locke et al., 1981, p.145). Locke’s goal-setting theory has received recognition theoretically as well as practically (Hedegaard Hein, 2012, p.177). The theory has for example gained popularity among sales researchers in the sense of exploring the effect of goal-setting on performance (Fu et al., 2009, p.278), and therefore we find it useful for our study.
Goals must be challenging and clear

There are some criteria that needs to be fulfilled in order for a goal to be effective. The first is that the goal shall be challenging in order for an employee to be willing to strive for it. The lowest level of effort occurs when the goal is set too low or too high (Locke, 1968, pp.168-169). Goals must also be clear and whenever possible have a deadline connected to when the goal shall be fulfilled (Locke & Latham, 1979, p.77). Individuals that are provided with specific higher goals perform at a significant higher level than individuals that are provided with a so-called “trying to do your best” goal (Locke, 1968, p.169). For example a goal could be stated as “sell 25 credit cards this week” rather than “sell as much as you can”. A “do your best” goal is not specific in its nature but encourages people to try their best to reach their goal (Locke, 1968, p.169). We believe that “do your best goals” is more related to the Theory Y approach to management, where employees are trusted to work without being controlled, whereas Theory X believes that employees will not work without control and incentives. A limitation of a vague goal, such as to “do your best”, is that it is difficult to measure and evaluate the performance both for the individual himself/herself and for the manager (Latham & Locke, 2006, p.332). In a review on the effects of goal-setting, Locke et al. (1981, p.125) found that in 90% of the studies between 1969-1980, specific and challenging goals resulted in higher performance than when no goals, or so-called “do your best” goals were used.

Individuals with higher goals reach the goal less often than if the goals are set low, but on the other hand, people with high goals most often perform at a higher level than those with low goals (Locke, 1968, p.162). The effort of trying to reach a goal is adjusted depending on the level of the goal, meaning that if a difficult goal is set up, the person will automatically work harder than if the goal was set low from the beginning (Locke, 1968, p.168). Furthermore, motivation and confidence also increases with challenging goals if the goal is fulfilled, otherwise it has the opposite effect (Hedegaard Hein, 2012, p.177). A goal provides a purpose, which strengthens the individuals focus on the task and thereby generate a feeling of meaningfulness and motivation (Hedegaard & Hein, 2012, p.178). Assigned goals has increased in the banking/insurance industry in Sweden, these goals are used to control the employees performance and these goals often has a low level of participation in the process of setting the goals (Finansförbundet, 2013).

Individuals must accept the goal and receive feedback

Individuals must accept the goal in order to work hard for it; therefore, there is a risk that an assigned goal that is too difficult will be rejected (Locke, 1968, p.168). Latham & Locke (1979, p.80) argue that goal acceptance does not have to include incentives; participation in goal-setting and clear instructions for the goal can increase the purpose of the goal, and thereby make the employee accept it. We believe that clear instructions can stimulate intrinsic motivation, if the goals are well explained to the employees, if they see the purpose of the goal and are therefore willing to work towards it. In addition, research has found that goal setting is the most effective when feedback is involved and where the manager provides support (Locke et al., 1981, pp.145-146). Positive feedback increases the employee’s self-confidence and if the employee knows that he or she will receive feedback, he or she will be more motivated to perform a task (Latham & Locke, 1979, p.72). Moreover, it is important that the feedback is clear and specific in order for the employee to be able to evaluate himself/herself and develop his or her skills (Latham & Locke, 1979, p.79).
Individuals must feel committed to the goal

Employees must be committed to the goals in order for them to be effective (Locke et al., 1981, p.131; Locke & Latham, 1990, p.125). If employees are committed to the goal, the probability of giving more effort increases and the strategy to attain the goal might change for the better (Latham & Locke, 2006, p.332). Goal-setting is mainly a motivational mechanism, however, the motivational effect on goal-setting can be lost when there is no goal commitment (Locke et al., 1981, p.131). Furthermore, in order to achieve goal-commitment, managers are important in order to convince the employees that the goal is important and realistic (Locke & Latham, 1991, p.219). Competition is a way to increase a person’s effort to perform a task and it also encourages individuals to be committed to the goals that they might abandon due to difficulty. Since competition can trigger extrinsic motivation, we believe that goal-setting is one way to encourage employees. Moreover, praise and reproof affects the motivation of employees (Locke, 1968, pp.178-180).

Effects of goal-setting

Performance targets affect behavior in two ways; first of all, they improve motivation by giving employees goals to strive for, and secondly, it allows the employees to measure their own performance (Merchant & Van der Stede, 2007, p.30). When people perform well and attain goals, they transfer the satisfied feeling to the task, meaning that they are more motivated to perform it again and take on new challenges (Latham & Locke, 2006, p.333). In addition, goal-setting can have an effect on motivation at work since a goal provides a purpose and acts as a driving force (Latham & Locke, 2006, p.333). The downsides with goal-setting is that it can be viewed as a threat instead of a challenge and that it can increase a person’s stress if they are too challenging (Latham & Locke, 2006, pp.335-337). Another drawback of goal-setting in an organization is that the focus can shift from quality to quantity depending of the focus of the organization (Latham, 2004, p.129). The result of goal-setting is commonly a higher self efficacy and it also has an effect on the feeling of contributing and being purposeful (Latham & Locke, 2006, p.333).

Goal-setting can have both positive and negative effects on employee motivation (Ordóñez et al., 2009, p.11). While goal setting can have a positive effect on extrinsic motivation, the downside is that it can sometimes have a negative impact on intrinsic motivation (Ordóñez et al., 2009, p.11). Goal-setting can also be seen as mechanistic and experienced as meaningless and dehumanizing (Jinks & Dexter, 2012, p.104). Hedegaard Hein (2012, p.184) believes that there are pitfalls with the goal-setting theory; used in the wrong way it can create more problems than solutions. One problem is that when an employee does not achieve the goal they can become unmotivated and dissatisfied; they might also try to take shortcuts to achieve them, which can damage the quality of the results (Hedegaard Hein, 2012, p.184). There is also a risk that employees’ focus becomes too narrow and that they ignore other responsibilities that are not specified by goals (Hedegaard Hein, 2012, p.184). Other authors however believe that how a goal-directed behavior is pursued determines the outcome; the outcomes are more positive, such as higher quality performance, when the behavior is autonomously regulated rather than controlled (Deci & Ryan, 2000, p.244).
Participation in Goal-Setting

The effectiveness of assigned goals compared to participatively set goals in achieving goal commitment and increasing subordinates performance has been debated (Locke & Latham, 1991, p.218). In a decentralized organization, which is characterized by decision-making lower in the organization (Siggelkow & Levinthal, 2003, p.651), we believe it to be easier for employees to participate in goal-setting since they are closer to the decisions. Research has shown that participation in goal-setting has a positive effect on motivation, however, there is a disagreement in the matter (Merchant & Van Der Stede, 2007, p.240; Ordóñez et al., 2009, p.11). Some researchers claim that goals work best if they are participatively set (Vroom, 1964, p.267; Merchant & Van Der Stede, 2007, p.240), and that goals should be realistic but challenging to the individual (Fu et al., 2009, p.278; Locke et al., 1981, p.145). Locke and Latham have different criteria when it comes to how goals shall be formed, such as not being too high or too low. However, we believe these criteria to be considered vague because of expressions such as “too high” or “too low” can have different meanings for different individuals. In any case, it would be an argument for participation in goal-setting in order to determine each individual’s limit of what is high enough. Participation in goal-setting is sometimes seen as a necessity for successfully achieving the goals and some believe that it can reduce some of the weaknesses of goal-setting (Rombach, 1991, pp.26-27). Participation in goal-setting has an effect on motivation; employee participation motivates better job performance (Vroom, 1964, p.267). Others disagree however, Herzberg et al (1997, p.128) believes that the supposed success of participation is unclear, and that it will not restore a passion for work.

Some authors have another perspectives to participation and believe that employees who participate in goal-setting are more likely to be committed to the goals because they understand the purpose of them (Merchant & Van der Stede, 2007, p.340). Furthermore, participation increases the understanding of the goals and it also helps developing the process towards attaining the goals (Merchant & Van der Stede, 2007, p.340). Other researchers however, believe that it is not only the goal itself that is important; it is also how it is explained to employees for them to accept it (van Riel et al., 2009, p.1201). When a clear explanation of the goal is set, there is a higher chance of success than if the goal is not explained at all. Providing employees with challenging goals that are clear increases the motivation and performance, because the employees feel a sense of trust from the managerial side (van Riel et al., 2009, pp.1200-1201). Researchers argue that a participatively set goal and an assigned goal affects the motivation of an individual in a similar manner if the goal is well explained; if the goal is assigned and not well explained it affects the performance negatively compared to a participatively set goal (Lee & Feng, 2011, p.280). An explanation about the details of the goal convinces the employees that the goal is worth striving for and that it is attainable (van Riel et al., 2009, pp.1201-1202). If this were to be true, whether the employee participated or if goals were assigned would not be that important, as long as the goal was well explained and the employee wanted to strive for it.
3.5 SMART Goals

SMART (Specific, Measurable, Achievable, Realistic, Time-bound) goals are commonly mentioned in management, as a description of how effective goals and objectives should be framed (Bloisi et al., 2007, p.85; Chamberlin, 2011, p.22; Macleod, 2012, p.70). However, there are different opinions of which words to use for effective goal setting (Chamberlin, 2011, p.22). The original description is that goals and objectives must be Specific, Measurable, Achievable, Realistic and Time-bound (SMART) but now these words are challenged with other words that have different meanings (Rubin, 2002, pp.26-27). Chamberlin (2011, pp.23-25) argues that achievable shall be attainable and realistic must be changed to relevant because realistic is connected to the word real and relevant is more connected to what is in line with the organization that sets the goals. Time-lined will instead be trackable in order to see the progress an employee is making and thereby have effective goals. Some also adds two words so effective goals shall be SMARTER, adding engaging and rewarding to extend goal-setting further in order to have motivated employees (MacLeod, 2012, pp.70-71).

The goal-setting process requires effort from the managers in order to avoid misunderstandings, frustration and confusion among the employees (Bloisi et al., 2007, pp.245-246). Organizations require a certain amount of control in order to meet financial targets and goal-setting is a commonly used control system. In sales organizations it is often common to use sales targets in order to control the employees’ performance, these targets are often set in the center of the organization and later on distributed down to individuals. According to the description above about how effective goals shall be framed it is important for the organization to be able to set goals that fulfills the criteria to each employee in order for the employee to accept the goal and motivated to work towards it.

There are basic conditions for goals to be motivating; the employees have to accept the goals, and decide to try to achieve them (Jacobsen & Thorsvik, 2008, p.283). In order to set goals that are motivating the employees, according to Jacobsen & Thorsvik (2008, p.283) organizations have to fulfill certain criteria: first of all, as mentioned earlier goals have to be adjusted to fit individual or the group. At the same time, multiunit organizations need to have a form of central control over the units and their performance targets (Garvin & Levesque, 2008, pp.108-109). The goals should also be realistic and challenging to the individual or group just as in SMART goals, and therefore be adjusted to fit their levels of skills as well as their confidence (Jacobsen & Thorsvik, 2008, p.283). Other external factors that could affect the ability of the group to complete the goals should also be taken into consideration. The second criterion is to overcome resistance against the goals and have the employees accepting them. Certain techniques such as coaching and training, employee participation in decision-making, or the use of rewards can be used to overcome resistance against goals.
It is easier for an organization to evaluate the results when goals are specific and when they can be measured in quantitative ways, such as money earned, number of customers, or how many projects that have been executed. These types of goals are easy to communicate throughout an organization, and are easy to understand. However, when too much focus are put on the quantitative goals they might become counterproductive to the organizational overall goals (Jacobsen & Thorsvik, 2008, p.62)

Figure 4. Our figure of the relationship between goal-setting and motivation.
3.6 Summary of theoretical framework

The theories we have used as a basis of our research are put together in figure 5 below. This model will be the foundation for us when analyzing the empirical data. The multiunit organizational structure is the umbrella of the model since we are looking at assigned goals effect on motivation in these organizations. The goal-setting theories on the right side of the model will influence the study from the beginning to the end through the design and characteristics of the goals. We will then look at theories on intrinsic and extrinsic motivation, as well as McGregor’s X and Y theory and Herzberg’s Dual-factor theory, because in order to find out how assigned goals affect motivation, it is important to first investigate whether the employees’ working environment have the conditions for them to be motivated and also for us to understand what they are motivated of. After the preconditions have been established we will look more into how the centralized goals affect motivation. To help us with that we will use Vroom’s Expectancy theory, Bandura’s Self-efficacy theory, as well as goal-setting theories.

![Figure 5. Our model of the theoretical framework](image-url)
4. Practical methodology

This chapter will display the practical methodology of this research. To start with, we will argue for our choice of research strategy and research design. Further, we will describe the sampling process and the content of the interviews. Thereafter we will describe the organization we will base our research on. We will also demonstrate the realization of interviews and how the interviews were executed at the organization. Furthermore, how the collected data was analyzed, discussed and processed will be described before ending the chapter with the ethical considerations we have reflected upon.

4.1 Research strategy

In order to find out how centralized goal-setting affect motivation among sales employees in a multiunit organization, we will focus on how the sales employees expressed their motivation connected to assigned goals. We have chosen to use a qualitative method, as we believe it to be difficult to thoroughly understand and explain the complexity of motivation in-depth using statistics. A quantitative study is based on findings that derive from numbers or multiple choices and often large samples, whereas a qualitative study focuses on meanings that are expressed through words (Saunders et al., 2009, p.482; Bryman & Bell, 2011, p.26). We want to gain a deeper understanding of how the goals affect the motivation in a multiunit organizational structure; we argue that this research contains a topic that is easier to study using a qualitative method. The reason for that is the complexity that is often the case in qualitative research, and we want to capture the situation of our research topic, and that can can be difficult to show using equations or statistics (Gummesson, 2004, p.117). While using a large sample through a quantitative method would have given us more data, we argue that to reach our purpose a qualitative method was more suitable when answering a how question.

In order to get a deeper understanding on how centralized goal-setting affects motivation for individuals in a certain organizational structure, we have argued that the nature of thesis requires qualitative interviews. The interviewees must have room to express how they feel and be able to elaborate on the questions we ask. Interviews are essential sources in case study research and can be described as guided conversations (Yin, 2009, p.106). The qualitative study must not be strict in the sense that it is possible to ask questions that are not part of the original interview guide (Bryman & Bell, 2011, p.467). We argue that we will benefit from being able to ask follow-up questions in order to answer our research topic. As we mentioned in Section 2.2, motivation is for us a social construction and something that individuals can express in different ways, therefore it is is important for us to be able to ask follow-up questions to clarify the answers so we did not want to use a structured interview. Before the interviews started, we explained what we meant by certain concepts, such as motivation, multiunit structure, assigned goals, and participation in goal-setting. During our interview process, we were also able to explain concepts to the interviewees, and if they misunderstood a question we could word it differently. Furthermore, we argue that semi-structured interviews was suitable in order to answer our research question; we wanted to ask about specific topics such as the structure of the organization and the goal-setting system and be able to compare the answers. Because we want to understand how centralized goal-setting affects motivation among sales employees in a multiunit organization we needed a framework for our research. Therefore, we will use semi-
structured interviews, which include an outline of questions but is also open for follow-up questions depending on the situation (Kvale & Brinkmann, 2009, p.130). When conducting the interviews, the respondents were able to provide us with examples and explain situations that helped us understand why and how they felt a certain way. If someone for example were unmotivated by a goal, we could ask specifically what he or she disliked about it; was it the goal, how it was distributed, or who provided it to you?

Semi-structured interviewing will also allow us to understand the meanings behind the answers, which goes in line with our previous stated interpretivist view (Saunders et al., 2012, p.378). We used an interview guide in order to have some structure in our semi-structured interviews (See Appendix 1). The interview guide was divided into different topics such as motivation and goal setting. This helped us during the interviews in the sense that it was a natural flow of the questions. Having a interview guide also helps the interviewee to focus instead of concentrating on what subject the next question should be about (Bryman & Bell, 2011, p.473). The different topics were connected to the theoretical framework we have discussed in Chapter 3. As an example question 4-10 in our interview guide was connected to motivational theories, question 11,19 and 20 connected to organizational structure and 12-18 to the goal-setting theories. The answers from the interviews were later connected to the theoretical framework in order for us to be able to analyze and answer our research question.

4.2 Research Design

Case studies provide an opportunity to develop or extend theory by giving in-depth understandings to an empirical phenomena and its context (Dubois & Gadde, 2002, p.255). A case study does not represent a sample and can therefore not be generalized to populations (Yin, 2009, p.15). The goal should be to expand theories (Yin, 2009, p.15), which is what we attempt to do with our study by including the multiunit context to theories about motivation and goal-setting.

This case study has been conducted at one single organization, in order to illustrate the situation of goal-setting in multiunit organizations. As our purpose is to provide an understanding of the situation of centralized goals in a multiunit organization, and not to fully generalize our findings, a case study at one single organization is appropriate. We argue that this study will benefit from being conducted at one single company because then the possibility of the other factors, such as the use of centralized goal-setting, being similar are greater. These factors can be things an organization that affects motivation, such as rewards, and growth possibilities of the employees. However, this study will be performed at three different units within the organization in order to have a broader base of respondents and to grasp the structure of a multiunit organization. Our original idea was to conduct the study at a single unit. However, we realized that our study would benefit from using several units in order to understand the multiunit organizational context and to have a more dispersed distribution of units and of interviewees. We wanted to make sure that we did not pick one “outlier” that was different from other units. We believe that by choosing three units we decreased the risk of getting skewed results by comparing the empirical results with the other units.

We wanted to conduct at least two interviews at each unit in order not to rely on a single respondent. We also decided to limit the number of units to three due to time constraints and practical reasons. This type of study can be described as an embedded case study.
where we study several units within one case organization (Yin, 2009, p.50). Due to our chosen method, and to accessibility and time constraints, we are also limited in how many interviews we can carry out; using several companies would have made that process more complicated. We want to be able to spend time analyzing the results rather than gathering too much data for us to process. We do not believe that conducting few interviews with employees from multiple organizations would necessarily increase the quality of our results; we believe that we would have to look at several other factors such as social settings at the workplace, which could explain why the answers did or did not differ.

There are advantages with conducting a multiple case study compared to a single case study; the evidence found is often believed to be more convincing (Yin, 2009, p.53). However, the time and resources required to conduct a multiple case study can be extensive, and therefore we chose to do a single case study (Yin, 2009, p.53). Our example company has been chosen based on the organizations characteristics, the organization is a large multiunit organization that has units geographical dispersed in Sweden. Furthermore, the organization uses centrally assigned goals as a form of performance control. One reason to use a single case is because it represents a common situation, and it is believed that this type of case study will be informative about the experiences of an average similar organization (Yin, 2009, p.48; Miles & Huberman, 1994, p.28). We consider the company (See section 4.4, Organization X) to be such an example of a multiunit organization, which in this case operates in the bank/insurance industry. We argue that a single case study at this single organization is a good option for our research. We do not think that the company that we have studied to be the only organization using centralized goal-setting, and therefore we believe that other multiunit organizations can draw benefit from our results. However, due to the fact that our study is concentrated on one single case and not looking on a whole population, the empirical data will not be fully generalizable (Johansson-Lindfors, 1993, p.162). Since this is a single case of a bank and insurance company, the results will primarily benefit other multiunit organizations using centrally set goals. This case study will also contribute to existing research because with a case study we will be able to understand the consequences of centralized goal-setting on employee motivation in multiunit organizations that has not been researched enough.

It is often considered appropriate to use a case study approach when attempting to answer how or why questions, which we aim to do in this study (Yin, 2009, p.9). In addition, the unique strength of a case study is their ability to deal with a variety of evidence, such as documents, interviews, observations etc. (Yin, 2009, p.11). When conducting our study, we have used data and background information about the example company in combination with interviews and observations during the interview process. The result of a case study is likely to be more accurate if it is based on different sources of information (Yin, 2009, p.116). This process of using several sources of data can be described as triangulation, which is a commonly used method in case studies (Saunders et al., 2009, p.146). Triangulation can refer to the combination of data sources, but also describe combination of theories, methods, or researchers (Ammenwerth, Iller & Mansmann 2003, pp.239-240). Our approach to this study is to combine existing theories with data such as interviews with both managers and employees and documents. A good case study will use as many sources as possible, as they are highly complementary (Yin, 2009, p.101).
4.3 The sampling process

As we are conducting this case study in the bank/insurance industry, we chose an organization that uses assigned goals and has a multiunit structure. We thereby used purposive sampling in order to illustrate the effect of centralized goal-setting on the organizations employees motivation (Saunders, Lewis & Thornhill, 2003, p.175). The results of this type of sampling do not have to be definitive but it provides an understanding of the potential issues. According to Yin (2007, p.104) a case can be chosen due to knowledge about the case, or because one has permission to study it. We knew people who has experience from working in the organization and had described their centralized goal-setting. Furthermore, the organization allowed us to get access to information about the company and employees to interview. In order to make the final decision of whether Organization X suited our research, we had a meeting with one regional manager and one local manager to get an understanding of the organizational structure, and also the type of goal-setting system they are using. The interviews were focused on their goal-setting system and how power is distributed within the company. We asked what decisions are centralized and decentralized and after the interviews we decided that the organization suited our purpose.

We conducted our interviews at three different units in the same region in northern Sweden. The main reason why we chose these units were because we had access to them after meeting the regional as well as local manager. When asking for three different units, the local manager provided us with names and contact information to sales employees at these units. The units varied in size, one unit had 40+ employees and the other two had 5-15 employees. All the units that we visited for interviews, though in the same region, were separated from the headquarter both in terms of distance but primarily in terms of hierarchical levels. The important issue for our research topic is that due to the dispersion of the organization, the headquarter need to impose some form of control to create uniformity. The employees had different professional roles within the company, some working with companies and some with private customers. All the sales employees that we interviewed had assigned sales goals that they could not affect in terms of quantity. Furthermore, the employees were a mix of men and women as well as a variety of ages and experience in the organization. We wanted to have a mixed sample of interviewees in terms of gender and age since we did not want to limit this study to a certain group, such as young women. While these parameters is not the focus of our research, we wanted to have a mix of respondents in order to see if any of them affected the results.

When choosing the interviewees the sampling selection process complies with the non-probability method (Bryman & Bell, 2011 p.190). The sampling selection can be affected by human judgment as in our case. When the sampling process begun, a representative from Organization X provided us with 10 names and email addresses to the multiunit organizations employees. There are no evidence of a normal distribution among values and attitudes, and therefore using a random sample is not appropriate for this type of qualitative research (Marshall, 1996, p.523). Beforehand we had asked to come in contact with a mix of employees; we wanted them to work at different units, for the employees to have different selling roles in the company and be provided with assigned goals. While we were satisfied with the mixed sample of the employees, this method can be criticized due to the fact that the respondents are not randomly selected and that not all of representatives of the population can be selected (Johansson-Lindfors,
1993, p.96). The downside of this could be that the organization had the opportunity to pick the respondents, which could potentially affect the result in a negative way due to bias. This was a risk we took that could have skewed the results. However, when interviewing the employees we believe that the answers we got were honest as they expressed in detail how they felt in certain work situations. Furthermore the employees did not answer the same way or necessarily in favor of the company, and therefore we do not believe that they were biased. While some had positive things to say, others were negative and not afraid to speak their mind about it. As the organization as well as the respondents were to be anonymous, we believe that the risk of them being bias in their selection process decreased. We argue that this method was appropriate for our case because the sample still represents different types of persons at three different units. We believe that having Organization X help up to find our sample was necessary in order for us to come in contact with the respondents. We contacted the ten individuals we got access to via e-mail, however one of them did not respond. We then asked the local manager for another individual to interview, which resulted in that we interviewed 10 employees in total.

How many interviews to conduct depends on the circumstances of the case you wish to research, but in general it is better to limit the number of interviews to focus on quality rather than quantity (Trost, 2005, p.123). If many interviews are made the material might become too extensive; it becomes difficult for the researcher to get an overview without missing out on important details or patterns (Trost, 2005, p.123). We believed that we would have enough time to transcribe and analyze about ten employees, without the sample being too small to draw any conclusions. When conducting a qualitative study with an interpretivist view, it is not necessary to have as large sample as in quantitative research, however it does require a flexible research design (Marshall, 1996, p.523). We argue that a small sample was appropriate in this case, as it suits our research design. People are different and are able to provide different levels of insight; therefore it is also difficult to decide the specific number of respondents required. For our study we wanted to interview about 10 people, however, we were willing to adjust the number of interviewees in order to find out what we needed to know. It is more important to take time to prepare the interviews and analyzing the data than collecting two extra interviewees’ (Kvale & Brinkmann, 2009, p.113). While conducting more interviews might have helped us gaining more information, however we would not have been able to spend as much time preparing, transcribing, and analyzing the results. Therefore we do not believe that more interviews necessarily would have resulted in a better study.

Small samples are common for qualitative researchers that want to study a topic in-depth (Miles & Huberman, 1994, p.27). The sample tends to be more purposive than random when dealing qualitative research because when dealing with a small number of cases, random sampling can turn out to be biased (Miles & Huberman, 1994, p.27). Furthermore, Johansson-Lindfors (1993, p.92) argues that because of high costs and time limitations, collection of data from the entire population is rarely possible. We believe that there is a time limitation from Organization X, as well as from ourselves. The sample of interviewees will participate in this study during working hours and therefore their time availability will be limited.
4.4 Organization X

The company we have used as a basis for our study does not want to be mentioned by name in this study. We respect their wish to be anonymous and therefore we use Organization X when describing the organization. Organization X was chosen because we found them suitable in order to illustrate the situation of centralized goal-setting in a multiunit organization. Like stated earlier in Section 4.3, Organization X was chosen mainly due to access, however, the final decision on whether we found the company suitable for our purpose was not made until after the interviews with the two managers when we knew more about the structure and the goal-setting system of the company. The information below is based on two interviews with one regional manager responsible over an area in northern Sweden and a local manager. The interviews were semi-structured where they described the multiunit organization, how the goal-setting process works and where in the organization decisions are made. In addition we have received information about the company on their website and from documents showed during the interview with the regional manager.

Organization X is a multiunit organization that operates in the banking and insurance industry in Sweden. The organization is a profit-oriented organization that is trying to meet the expectations of its shareholders. The organization is according to SCB (2012) a large size firm with 250+ employees and has more than 200 units geographically dispersed all over Sweden. The headquarter of Organization X is located in Stockholm and the unit size varies from small units that have a few employees to large units with 50+ employees. Each unit is standardized in products and services meaning that a customer can expect the same products and services at every unit within the organization.

The organization is divided into regions and thereafter units with relatively few layers of managers, and is therefore a somewhat flat organization in its hierarchy. As in multiunit organizations, the units have operational responsibility over the day-to-day activities meaning that the sales employees are responsible of making decisions on what to sell to whom and responsible over administrative tasks. The local manager reports the results of the unit to the regional manager that thereafter reports to the top of the organization. The headquarter controls the local units in terms of financial targets that are expressed in numbers based on the budget of the organization as a whole. The financial targets are first distributed to the regional manager and then divided to the local manager who presents them to the sales employees. Organization X’s way of working is based on clear role descriptions which make it possible for the units to work without close monitoring of the day-to-day activities from the headquarter. The purpose with the decentralized structure is for the employees to be able to take own decisions close to the customer in order to provide the service the local customer demands. When a customer walks in, the sales employee has the mandate to recommend what he or she believes that the customer needs without being controlled by the headquarter of the organization. This management model requires clear strategies and policies in order for the units to work in line with the purpose of the organization.

The sales employees of Organization X represents the front end of the organization and it is therefore important for the organization to have a motivated workforce. In addition, the organization is customer oriented meaning that the sales force shall focus on the
customer needs of each individual. The employees are well educated internally in their products and services and they are able to customize each personal meeting with the customer. The characteristics of Organization X are that the decisions such as how to solve problems are decentralized to the lower level in order for each unit to work as an individual business. Employees sometimes has an opportunity to affect certain goals they are working towards, meaning that they can discuss in what way they want to be measured. There are also sales goals that are set top-down and therefore of centralized character. The goals that are set top-down are assigned goals and the employees can therefore not influence how they are set in terms of quantity or product focus. Neither the sales employees nor the local manager can affect these assigned goals. An example of an assigned goal is to sell a certain amount of a credit cards or insurances within a specific month. A goal can also be to reach a fictional sum where products are worth different points. If the goal is to reach 100 points within a month the employees can choose to sell different products to reach that goal, a loan can for example be worth 10 points and a fixed saving can be worth 15 points.

The quantity and sum of the total goal are assigned and cannot be affected by the employee, however the employee can choose to sell the products he or she want to reach it. Sometime the organization also focuses on specific products and then the employee has to sell that product to reach the goal. If the organization wants to focus on credit cards they assign a certain amount of credit cards for each employee to sell. The sales targets are presented in a system where both the sales employee and the managers can follow the results during every week of the year. There are no punishments if not fulfilling the goals and there are no financial rewards directly connected to reaching a specific sales target. Although, sometimes the organization arranges competitions in order to increase sales focus on specific products or services. A competition can consist of focusing on selling for example insurances within a specific week. The reward for that type of competition can be a bottle of wine or a gift card to a restaurant. The employees can through their own performance affect their salary to some extent although the salary is mostly fixed.

4.5 The Case Study at Organization X

In this study we have recorded the interviews in order to transcribe the information to be able to go back and forth while analyzing the data. Recordings provide an accurate and reliable view and help to avoid bias (Yin, 2009, p.109). During the interviews we used a small audio recorder in order for the recorder to not take attention from us as interviewers or from the interviewee (Saunders et al., 2009, p.341). That allowed us to concentrate on the topic and not on the device (Kvale & Brinkmann, 2009, pp.178-179).

During the interviews we were two interviewers in order to be able to ask follow-up questions from two different persons in order to not miss anything. The use of more than one interviewer increases the chances of surprising findings and it also builds more reliability in the findings (Eisenhardt, 1989, p.583). We as interviewers had different roles during the interview, where one of us was asking questions and the other took notes. This increases the chance that we as investigators have different views of the content, which is positive when later analyzing the data (Eisenhardt, 1989, p.583). Furthermore, the person not asking the questions was able to take notes about facial expression, gesturing, and tone of their voice when they said certain things during the interview, which helped us with the analysis as a complement to the transcribed words.
According to Saunders (2012, p.550) interviewers should take an interest in other things than the words, such as the tone of the voice, in order for the data to be complete. It can be intimidating for the interviewee if having two persons asking questions, which was another reason why we chose to have different roles during the interview. Important to mention is that the person who was taking notes could ask follow-up questions throughout the interview if she had something to add, which we did during our interviews. Semi-structured interviews allow for follow-up questions if something was unclear and therefore we decided that both of us could ask follow-up questions. The interviews were conducted in Swedish in respect to the interviewees because some may feel constrained in expressing themselves in English. We argue that the flow of the interviews would be harmed if the questions would be asked in English and further we believe that some of the respondents could have exclude some information due to language problems.

The interviews were held in the interviewee's office in order for the interviewee to feel confident in the environment. There were no other persons in the room and the interview place was quiet which made the recordings clear. The interviewee were asked whether it was okay for us to record the interview and we clarified again that the respondent would be anonymous and that the recordings would not be published. Since the company wanted to be anonymous we have not used names for the interviewees’ either due to the risk of someone wanting to track what company the person is working for. Everyone was okay with being recorded and they were positive to that the recordings would not be published anywhere.

Through the interviews, we collected the data we needed in order to answer our research question. The questions most often followed the order of our interview guide, however sometimes it was more natural to change the order of the questions as some questions lead to another or covered more than one question. The interviewees were often very open and willing to talk about and around the questions, which resulted in that we could ask additional question connected to the subject. This was beneficial because it provided us with more in-depth information from the interviewees. The length of the interviews was around 30-45 minutes. The different length of the interviews may be connected to the personalities of the interviewees, while some may have been more talkative, we felt that the answers to be honest and descriptive.

4.6 Processing, Presenting and Analyzing the data

The data we collected through recordings from the interview were transcribed in order for us to be able to document and analyze the findings. The recordings allowed us to transcribe the interviews directly to be able to fully understand the interviews. During the interviews we used two recorders to avoid technical problems and disturbances. The transcription process started directly after each interview in order for us to remember certain gestures or body language the interviewee had when he or she talked. Throughout the interview process we discussed and processed the data that we received. By doing so, we have been able to relate our findings to existing theories on an ongoing basis, to see if they were relevant or if we needed to add or remove anything from our theoretical chapter. We also learned things in interviews that we could use and follow up on in the later interviews by making some adjustments. According to Merriam (1994, p.137) what the interviewer should look for in each interview should partly reflect on the information that came up in previous interviews. We transcribed the
interviews alone and not together in order to save time in the transcribing process. After we had transcribed the recordings we listened through them again with the transcribed material in front in order to control the material one more time. This allowed us to avoid the risk of missing something out or misinterpret some information. By controlling each other’s transcriptions we made sure that they resulted in a similar structure, which allowed us to analyze them without disturbance of not having them documented in the same way.

After finishing the transcription process, we printed all the transcribed material in order for us to go through every single interview together. This to be able to decide which answers that was relevant for us to be able to answer our research question. Subsequently, we summarized the relevant answers into one document in order to apprehend the answers of the different interviewees at the same time. Because all the interviews were held in Swedish we translated the answers we found relevant to English. This may have resulted that some words or specific expressions may have got lost in translation. We are aware of potential translation problems but we argue that we have done our best to demonstrate the answers as good as possible. Both of us have read through all the transcribed data and its translation to make sure that we interpreted it the same way. We believe that conducting the interviews with Swedish employees in English would have damaged our results more than translating them. Because we are the ones interviewing, transcribing, translating and analyzing the data we have the same way of interpreting certain words and expressions.

In order to present the data we collected from our interviews we summarized the findings into different themes. These themes, or categories, should reflect the purpose of the research (Merriam, 1994, p.148), which we tried to do when creating our themes. We also tried to make sure that all relevant data would fit into one of the categories. This provides a structure that helps the analysis of the data in a way that is relevant to the research topic (Saunders, 2012, p.557). The themes we decided to use are: The multiunit structure, Sales employees’ motivation, and Attitudes towards centralized goals. The themes we chose to use are related to the theoretical framework in Chapter 3 from where we together with the background information developed our interview guide. We chose the theme The multiunit structure in order to see how the combination between centralization and decentralization affected the goal-setting process. The next theme, Sales employee motivation, was chosen to understand how employees are motivated in the organization. Finally, Attitudes towards centralized goal-setting will provide us with information on how employees perceive assigned goals. Furthermore, we will have one section describing Organization X’s goal-setting system.

In order to analyze the qualitative data from the interviews we selected relevant answers and further distributed them under the most relevant theme stated above. We are aware that by selecting the answers we affected the study with our own subjective minds but we argue that it is impossible and further not relevant to include all the gathered data. However, we have been as objective as possible in the translation and presentation of the data. The answers we chose were citations and as literal translations as possible, by doing so we did not affect the content of answers with our own pre-understanding.
4.7 Ethical Considerations

The organization we used for our study wanted to be anonymous and we respected that and do therefore not mention them by name. We believe that there are downsides of choosing an organization that will be anonymous. For one thing people who read this thesis and other organizations might have a harder time identifying with Organization X when not being able to compare themselves to them. Another disadvantage that we see with the anonymity is that it is sometimes difficult for us to explain things in detail, and is therefore harder for the reader to grasp, than it would have if we could have revealed the organization. A company or an individual who is not assured beforehand that they can remain anonymous may give the researcher bias data (Miles & Huberman, 1994, p.48). In order to act ethically during the interview process we told the interviewees’ that they, as well as the organization, would be anonymous. This was both to protect the individual to be exposed and for them to answer the questions in an honest way. Kvale & Brinkmann (2009, p.63) describes ethical issues that arises throughout the research process and two of those issues where the protection of the individual in terms of confidentiality and the ethical issues regarding transcriptions confirms the way we have executed the study. The interviewees were positive when we stated that the answers was anonymous and that they were able to express their feelings without anyone knowing who said what at a certain point.

Prior to the interviews when we asked our interviewees if they would like to participate in the study we provided them with the purpose of our study. We further started each interview by asking the interviewees whether they had any questions about the study and its purpose. The participating interviewees had the chance to say no to participation but everyone was positive to be involved. We decided to give each individual a fictional name in order to prevent embarrassment and harm or the chance for others to be able to identify the individual. We believe that the anonymity of the respondents increases the chance of honest answers from the individuals. We sent the information that we had put together about Organization X and their goal-setting system back to the organization in order to see if we had understood them correctly. We asked them if there was anything they would like us to change or remove but they approved of what we had written.
5. Presentation of the Empirical data

We will present the data collected during the interviews under the three themes we have used in our interview guide in order to make it easy to follow and for it to be easier to present the analysis. In addition, we will also use a section to describe the goal-setting system in Organization X. The following information in chapter 5 comes from face-to-face interviews with 10 employees. Information about the goal-setting system in Section 5.1 comes from the local and regional managers. The interviews took place in March and April 2013. The answers from the interviewees will be presented separated from each other in order to not mix the respondents thoughts and opinions. Our ambition with this chapter is to present the reality we are studying as objective as possible. We have used citations in order to emphasize certain topics and to mediate the reality to the reader. The empirical presentation will act as a basis for the coming analysis where our subjective minds will be more prominent (Nylén, 2005, p.70). In figure 6 below, we display the 10 employees we interviewed. The local and regional manager is not included in the table as they will not be the base of understanding the effect centralized goals has on motivation in a multiunit structure. The local and regional manager was interviewed in order for us to understand and present the organizational structure and goal-setting system. The units varied in size, the large unit had 40+ employees and the two small units had 5-15 employees. We have not named any of the interviewees to Employee I because that is easy to mix up in the text.

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Size of unit</th>
<th>Years employed in Organization X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee A</td>
<td>Male</td>
<td>Large unit</td>
<td>0 - 5</td>
</tr>
<tr>
<td>Employee B</td>
<td>Female</td>
<td>Small unit</td>
<td>21+</td>
</tr>
<tr>
<td>Employee C</td>
<td>Male</td>
<td>Large unit</td>
<td>21+</td>
</tr>
<tr>
<td>Employee D</td>
<td>Female</td>
<td>Large unit</td>
<td>21+</td>
</tr>
<tr>
<td>Employee E</td>
<td>Male</td>
<td>Small unit</td>
<td>21+</td>
</tr>
<tr>
<td>Employee F</td>
<td>Female</td>
<td>Small unit</td>
<td>6 - 20</td>
</tr>
<tr>
<td>Employee G</td>
<td>Male</td>
<td>Large unit</td>
<td>0 - 5</td>
</tr>
<tr>
<td>Employee H</td>
<td>Female</td>
<td>Small unit</td>
<td>0 - 5</td>
</tr>
<tr>
<td>Employee J</td>
<td>Female</td>
<td>Large unit</td>
<td>6 - 20</td>
</tr>
<tr>
<td>Employee K</td>
<td>Male</td>
<td>Large unit</td>
<td>6 - 20</td>
</tr>
</tbody>
</table>

*Figure 6. Characteristics of the interviewees*

5.1 Goal-setting in Organization X

According to a regional and a local manager, the goal-setting process starts from the top of the organization down to regions and units. Throughout the process there is a discussion between the levels of the organization at which quantity the goals shall be at and how it shall be measured in ratios. The organization use performance goals for each region and unit, based on the yearly budget. The goals are set on a yearly basis but are followed up weekly and monthly. The organization uses several types of goals; both participatively set and centrally assigned. Employees can affect the participatively set goals through a discussion with their manager. As an example, the employee can discuss what he or she wants with his or her customer base for example if the employee want to focus on bringing in new customers or meet with the current ones more often. The assigned goals can be categorized into soft and hard goals. The soft goals can for
example be to follow up on for example customer satisfaction, for the moment the organization has used a survey that the employees shall make the customers fill in in order to measure customer satisfaction. The hard goals that the organization assigns is presented in a system where the employees get assigned measurable performance goals, such as reaching a fictional sum in sales.

While the manager cannot affect the quantity of the assigned goals, they can distribute it among the employees of the unit. The employees cannot affect the quantity of the goals where they should try to reach 100% of the sum of the performance goal through the sale of a range of products and services. An example of an assigned goal is to sell a certain amount of a credit cards or insurances within a specific month. A goal can also be to reach a fictional sum where products are worth different points. If the goal is to reach 100 “points” within a month the employees can choose to sell different products to reach that goal, a loan can for example be worth 10 “points” and a fixed saving can be worth 15 “points”. The goal of the fictional sum is set on a weekly basis for the employees to achieve. The employee can choose which product to sell in order to reach the target. Employees can focus on different sales areas, such as insurances or private house loans, depending on their professional role. The goals are broken down into monthly or weekly targets depending on the character of the goal and the role of the employee. According to the regional manager, the employee as well as the manager can see these results in the performance control system in order to follow-up and measure results.

According to the local manager, Organization X tries to use positive feedback and recognition in order to reward the employees and there are no local bonuses for the employees. The organization does not encourage competition to any large extent. However, sometimes they arrange competitions in order to sell more of a specific product. A competition can consist of focusing on selling for example credit cards within a specific week. The reward for that type of competition can be a bottle of wine or a gift card to a restaurant. The employees can through their own performance affect their salary to some extent although the salary is mostly fixed. The goal of the organization is for the employees’ salary to partly be affected by their performance. The unit used to receive a collectively set bonus, but now it is redistributed based on individual performance.

5.2 Presentation of the interviewees

5.2.1 Employee A

Multiunit structure

Employee A does not believe that it is possible to set all goals individually in this type of multiunit structure; “There need to be an overall goal because we as employees must contribute with a certain amount of sales to the organization”. He continued, “We need to satisfy the shareholders because they have invested money in us and must get revenue out of it”. Employee A believes that goals have to be adjusted based on where the unit is located; “There are units that have a few customers per day and units with several hundred and therefore the location has to be taken into consideration when setting the goals. In a small office there might be 5 customers coming in on a day whereas in a bigger office it can be several hundreds”. Further, Employee A described that it is impossible to for the headquarter to know how things are in units in this or that
or whatever small place. He further said, “It can therefore be unrealistic that they shall do the exact same things as a large office shall do. Customers have different private economies and house prices and such are different depending on location”. However, Employee A thinks that the regional and local managers are good at describing and communicating the situation in their area to the top of the organization. Employee A thinks that it would be more boring to work at a very small unit and that there is less room to be creative there because there is always the same customers coming in and asking for the same thing, “The most challenging at a small unit can be to make the customer show their ID card”. Employee A further said: “The goals must be lower at a smaller unit... I believe that it is more difficult to reach the hard goals at smaller units”. When talking about who shall assign the goals Employee A said; “It would be very weird if the regional manager or CEO set my goals; It has to be the closest supervisor. The local manager is the one who has the ability to know each person and should therefore set the goals”. Employee A believes that his nearest manager only communicates the goals to the subordinates and receives them from his or her manager, and said, “My closest manager only acts as a communicator of the goals”.

Sales employee Motivation
Employee A describes himself as a competitive person and that he always tries to improve things both at work and at home. He started working at Organization X directly after he finished his studies at the University and he explained that he is used to work towards goals. Employee A said that the customers in the banking/insurance industry are generally not very satisfied; “The customers are generally not very positive towards us, they think that we charge them if we just talk to them. When a bitter customer walks in and I can turn the person around so he or she walks away happy I feel good. It is motivating to exceed the customers expectations”. “It is the meeting that is important but we need to take into consideration that we are a profit oriented organization so if I make a successful deal and for example sign a new customer it is also very fun, then you get some sort of recognition internally”. Employee A describes motivation at work as a mix of satisfying the customers and receiving recognition. Further, Employee A talked about feedback as important; “I am a person that wants a lot of feedback, or needs a lot of feedback... both positive and negative”. Employee A said, “The soft goals could be more clearly defined, they feel a bit fuzzy. The hard goals on the other hand are crystal clear”. Employee A continued and said, “The hard goals are measured in numbers and presented as a fictional sum where I can do the math how to reach them. The soft goals like customer satisfaction is more unclear and I do not understand how you can measure that”. When talking about goals Employee A believes that goals are used as a speedometer and that work itself would be more boring if working without goals; “If I should not have goals and if it should not be trackable what I do, work would be a lot more boring”. In addition Employee A said, “I am young and competitive as a person... I am competitive towards my colleagues, of course you talk with each other about that stuff”. Employee A likes to improve things, and thinks that subconsciously it is important to achieve the goals.

Employee A said, “The ones who have worked in this organization for 25-30 years are not that used to goals... When you interview an older colleague of mine later I am sure that he or she will have another approach to goals”. Employee A worked very hard to achieve the goals before having a permanent position in the company; “It is the only way to be seen... Of course you need to be nice towards customers and coworkers but that is something you have to be. The only way the manager can notice my work is if I strive towards the goals”. In addition Employee A said, “We who are younger often...
take the goals more serious than they actually are, we are more used with working with goals. It does not give me any extra in salary but it gives me something internally”.

**Attitudes towards centralized goals**

When talking about assigned goals, Employee A said, “I think assigned goals are rather fun, it suits some people better than others. I do not think that I could ever be a manager, if someone puts pressure on me I deliver, but I am not good at putting pressure others. I think it would feel empty if we would not have assigned goals, I do not have any problems with them”. Furthermore, Employee A said, “The goals are not unattainable in any way... the goals are divided to payments, loans, savings and insurance”. When talking about the goals Employee A also said, “They say that the goals are set on each individual but I do not believe that, it is divided on the role you have in the company. If you have a role where you meet customers that come in spontaneous you do not sell as much as if your role is to have booked meetings with customers and discuss loans. The organization says that they set goals different on each of us but I do not think I can believe that”. Further, Employee A said, “The employees who have worked in the organization for a long time has a difficulty in accepting the goals if the organization change focus. If the organization starts measuring stuff that did not use to be measured they get confused”. Employee said that in this organization the employees will have to agree to the goal with their supervisor. “We have a system that is pretty clear, we can see exactly what we have contributed with in terms of sales. The goal is to reach 100% in the goal-setting system and products can be worth different so you can not only sell loans, you have to have savings too for example”. He also said, “If I would just sit and do what the customers ask for, and not be creative and do something by myself without thinking and act as an order receiver work would be boring. I want what I do to be visible. What I do does not give me anything extra in salary but it is trackable in our goal-setting system and that is important”.

**5.2.2 Employee B**

**Multiunit Structure**

Employee B describes that the goals are set centrally, after that they are recalculated depending on if you work full time or part time, sometimes they are also recalculated a little little bit depending on the employees specialty. However she said, “they are assigned from the center”. Employee B believes that the local manager must have the mandate to distribute the goals within the group in this type of organizational structure; “If the local manager feels like he or she has the authorization to distribute the goals among his or her employees, then it would work”. Employee B discussed the organizational structure and the way of working, as “The general opinion is that they can be fairly unrealistic when you look at the differences across the country. You might question whether it is realistic that the goals are the same for those who work in way up north and in Stockholm”. It is important for Employee B that a local manager sets the goals, “If I would receive goals from the CEO I would say: Well, I do not know if I can accept this. It matters a lot that it is the closest manager so you can discuss and talk about the goals because he or she knows the market and what we can sell to our customers. We cannot sell house loans for certain millions if they do not have the economy for it”.
**Sales Employee Motivation**

Employee B said that having satisfied customers motivates her but is also somewhat motivated by reaching goals; “Satisfying my customers is a strong motivation, but at the same time the goals are there in the back of your head, like I should do those 10 insurances or whatever that I promised by manager, and now I have not so I have to step it up”. Employee B said that finding a need that the customer did not know that they had and solve a problem feels good. Further she said, “It would feel strange working without goals, it triggers motivation when fulfilling the goals, but it is important to find the realism in it. If the goals are set too high they will instead pull you down, it is important to find the realism”. Employee B said that the organization sometimes arranges competitions, “Sometimes we have sales competitions but we do not like that at this unit because then we can forget what the customer actually need only to win the reward. The reward can be cinema tickets, restaurant coupons and stuff like that... We do not get a trip to Barcelona or something like that. The interesting thing is that even if the price is small it can trigger to actually do a lot”. Employee B values feedback high and has a positive approach to both positive and negative feedback; she described it as a way to improve the work. Employee B is ambiguous when it comes to the importance of reaching goals “If I do not reach my goals I do not see it as a failure if I succeeded in satisfying a customer. I value the customers satisfaction higher”. Employee B described the assigned goals as; “The assigned goals in our system are unclear because one product can be worth more in sales for one month and the next month it is worth something else. You can see that in the end of the month... last month I got nothing for a product that I got 1000kr for selling the month before”.

**Attitudes towards centralized goals**

Employee B described the assigned goals as, “It is to do a little bit of that and a little bit of this, in amount or in money. It can be to sell four loans or to give loans for four millions, that is not on a year but you get it”. Employee B does not have a positive approach to assigned goals “I do not follow that system because I do not give a shit about those goals. Partly because they can change during the year in the way that a loan can be worth more one month and not that much the next month. I reason that I shall do the best I can and sell a little bit of every product. If the customer is satisfied, I am satisfied”. Employee B prefers a goal-setting system where goals are set participatively because she believes that everyone at the unit is different and has different skills, “It is better with individual goals than top-down goals because each individual is different, we have different skills”. She continued and explained, “None of us at this office like that the individuals are measured, we at this office is a unit, we work together, maybe someone is good at something and then it is better if that person does that”. Employee B also said, “If you work as a unit I would be able to send a customer to you because I know that you know more about insurances than I do... without me losing the points in the goal-setting system. That would be better for the customer and also for the unit”. Furthermore, Employee B said that centralized goal-setting has a negative effect on work tasks that cannot be measured, such as administrative tasks as for example order material, prepare the mail etc., “You cannot measure those things as results, so you will only look at your own goals and that would be a disaster for the unit”. The spirit at the unit becomes affected by it and becomes more like “This is mine and that is yours”. In addition Employee B would prefer a goal-setting system that assigned the goals to the unit and not to individuals. Employee B said that it would benefit the team spirit and give room for individuals to do what they are good for the team to perform well. Employee B finished by saying, “It is difficult in an organization to measure everything;
how do you measure customer satisfaction which we have as a goal? We do not get it... You can know if a customer comes back but satisfaction... How can that be assigned? Sometimes a meeting end up in no sales but we keep a customer worth 3 million SEK, that cannot be measured I think”.

5.2.3 Employee C

Multiunit structure
Employee C said, “It is not fully possible to individually adjust goals in this type of organizational structure”. Furthermore, Employee C continued by saying: “Because the organization is so large we need some sort of coordination in order to avoid a mismatch of everything, that is my opinion”. Employee C has an understanding for the centralized control and that goals are used, “I can in some ways understand that the organization requires central control and that we work towards goals. However there must be regional and local adjustments depending on the local situation but to bring it together in the end there must be some central control I guess”. Employee C believes that how the organization deal with goal-setting differs between different units of the organization, but also that it can differ within the same unit depending on the type of work assignments someone has, “Employees who are working with private customers can measure their sales and sell products more easily, I have companies in my customer base and for me it is important to have long relationships with my customers, it is difficult to push products on my customers I think”. Employee C also said; “The size of the unit also has an impact on the goals... Each unit must have a discussion with the local manager”. When talking about who shall assign the goals Employee said, “The closer you get to the one actually working with the goals the easier it gets to set realistic goals. If someone that is far away in terms of distance sets the goals and not know how we work at this unit the risk of unrealistic and also wrongly set goals increases, that is a huge risk”.

Sales employee motivation
When asked what motivates Employee C at work, Employee C answered: “The most fun is the meeting with the customers. You get to know the customers and can satisfy their needs. I work with companies and with those customers you get a more long-term relationship and have to give them creative solutions. I think it is more complex with companies than with private customers. In addition I am a competitive person and likes to bring in a good deal and succeed with solving a task for one of my customers”. Employee C does not believe that the goals have any effect on motivation and continued by saying, “The goals coming from the organization has increased throughout the years. Officially we as employees can affect the goals but in reality that is not the case, they assign them to you”. Employee C also said, “It was a time before this and I work the same way as then but the goals of course has some effect on motivation because you need to check upon the goals constantly. However it is not something I think of in my day-to-day work”.

Employee C does not think that he would work differently without goals. However, Employee C said, “I have always liked to compete... It is in some ways that... Each deal I make is in a way a victory so therefore it is good to measure and the goals must in a way always be there”. Employee C does not personally think that feedback is important. “It is fun if someone notices what I have done but I can feel that myself and that is enough for me”. Employee C believes that it is somewhat important to reach the goals,
“Even if I am close to reaching my goals and the goal is set high I can still be satisfied if I did not fully reach it but it is satisfactory to reach them I must say”.

**Attitudes towards centralized goals**
When Employee C talked about goals he said, “You can have own goals for yourself... However, the trend of assigned goals has increased among organizations, in this organization officially you can affect the goals but in most cases it is not like that. They assign them to you that is what they do”. He further said: “We have 5-6 goals every year, it differs a little bit from year to year, one example of an assigned goal is that I shall meet a certain amount of customers each week and then check them of my list’. Employee C said, “Assigned goals must be realistic. Everything is based in the realistic part. If you feel that this is not based on our unit and if the goals feels totally unrealistic it is wrong. Then the goals have the reverse effect because then you do not feel committed to the goals or care of them at all”. In addition Employee C believes that participation in goal setting is important; “It is always easier to be motivated if you can participate in the goal-setting and affect it, that is something that is true. Participation feels better than if I only get assigned goals”. Employee C further said, “This year I was able to choose from a few different goals, like on which parameters I wanted to be measured on. It felt good to be able to participate even if I just decided what goals I should be assigned”. However, Employee C does not believe that it is fully possible to individually set everyone’s goals. Employee C continued to talk about the assigned goals and said: “It depends on what goals you get assigned because you must feel that you can reach them. A goal must be challenging and almost unreachable but it must be possible to reach them, otherwise they have no meaning. They can not be set too low either because then there is no point at all with goals”. Employee C thinks that there should be a discussion about the goal with the closest manager.

Employee C thinks that in a service profession like banking, it is important to make a good impression to the customers, “It is important to keep the customers satisfied, otherwise there will be no deals. We have goals assigned where we shall have satisfied customers but that is difficult to measure. Right now we shall make the customers fill in a survey on their cell-phone and then the organization can track if the customers are satisfied or not... It becomes... Well like... It does not make me put in an effort in it because my opinion is that satisfied customers is what I shall do. It does not make any difference if I make them answer a survey or not. I believe that the survey is just some form of quantity thing, I wonder how you can measure customer satisfaction out of that”.

**5.2.4 Employee D**

**Multiunit structure**
Employee D said, “In this organizational structure the goals comes from the center of the organization and the manager cannot affect what the unit receives in terms of quantity of goals”. Employee D would like the closest manager to set the goals and further said, “It is good if me and my manager can talk about the goals but still they come from the center of the organization, that is obvious”. Employee D expressed negative feelings about the goals coming from the center of the organization and she pointed up in the air when she described where in the hierarchy the goals comes from. In addition Employee D said that if you work at a smaller unit it feels weird that the goals are the same and not adapted to the local market or depending on how many
employees that work at the unit. “It does not feel that they adapt the goals, it feels like they divide the sum of the goals on the persons working and then you just have to take what is left over”. Employee D also said: “If you work at a smaller place, a small town, then there is not the same conditions as when you work here or in Stockholm. I believe that you could get too much quantity in the goals if you work in small town, they do not have the same possibilities to sell to their customers. The customers are not interested in the same things.”

**Sales employee motivation**
Employee D said, “The best thing is to meet the customers, definitively. It can be someone that walks in and is a little bit so-so and walks away satisfied. That makes me feel good”. When talking about assigned goals Employee D said, “I am not interested in goals, I have worked for such a long time... I have had goals and they have changed throughout the time so to speak. I focus on the customer and tries to satisfy their individual needs instead of just selling something just because and to reach my goals”.

Employee D further said, “Some weeks are good and some not that good, but I try to tell my manager that I work the same no matter what because I want to make my customer happy”. Sometimes Employee D talks with customers about certain products such as credits, because the goals says so, however she does not try to push it on the customer if they do not need it. In addition Employee D stated: “I am against goals and goal-setting so it does not motivate me”. Employee D does not value feedback very high but likes to have the opportunity to express her feelings to the manager, it is a way to say what is wrong and what you do not like. Employee D believes that the ones working in the organization has different skills, “It is a lot of things we have to know, it is difficult because there are so many areas, it is selling, savings, loans, credits etc... I want to focus on what I am good at and it would be better to work more as a unit. That would help I think”.

**Attitudes towards centralized goals**
Employee D thinks that the employees must be measured in some way but feels that the goals is stressful and that they are followed up too often, “It feels like someone is observing all the time and even if I succeed it feels like someone is almost haunting me, that does not feel good”. She also said, “I do not think it is fun to receive a letter each week, an e-mail where it says how my progress are. Often I have rather good results but I do not like that, it depends on what my customers wants, sometimes they want credit cards and then I get points in the system but if they do not want it I get nothing. But I am there for the customers and I do not like the goals at all”. Employee D continued to talk about goals and said, “You must have goals in order to be measured in some ways, it shall depend on the customers I meet. I would like us to measured as a group... But everyone must contribute, one cannot just do nothing. But it cannot be like this time you did very good, next time not so good, because it all depends on the customer. The organization cannot control, they can tell you but not control that I must sell a certain product to a customer”. Employee D further said that it does not feel good that some products are worth more than others in terms of sales because when focusing on the customers individual needs it does not feel good that that product does not pay as much as something else. Employee D described the assigned goals as; “The ones sitting at the top of the organization does not know how the reality is like down at the unit level, there have been so many times when they decide something and then we as employees must defend their decision to our individual customer. That is wrong”. Employee D also said, “We only have goals on some parts such as selling certain products, but there are so many other things we do that does not count, such as doing inventory of estate and
all that, why do they not have goals on that?”. She finished by saying, “Some coworkers only focus on products they get many points for in the goal-setting system, that is in my opinion wrong, they do not care about the customer”.

5.2.5 Employee E

**Multiunit structure**
Employee E describes himself as a competitive person who likes to compete. He has been doing sports his whole life, and therefore sees himself as goal-oriented, and he is therefore also used to work as a team. Employee E does not think that goals should be measured on an individual level; “It would be better to measure goals on a unit level in order to make the whole group work together”. Further, Employee E said that it would be difficult to individually set all the goals because there needs to be some form of control; but maybe that employees should be able to affect the goals a little bit. Employee E believes that fairness is important; everyone with the same job should have the same goal. Employee E believes that in certain areas with units with small markets has a more difficult time to achieve their goals. In small cities the sales employees might know the customer better and benefit from less competition and therefore they should have more power to decide things for themselves, “In smaller cities, they should be able to decide things for themselves a little bit more, since they know the customers and all”. Although he continued to say that he feels like the organization has let go of some control and they can make more decisions now. “We can do more things directly here at the office now, when working with loan for example, we are allowed to grant loans at a higher level now, which is positive”.

Employee E thinks it is good if the nearest manager sets the goals since he or she is the one they employees have the most contact with. He continued by saying, “If it were to be CEO who gave me the goals, it would be strange because that is not someone I have any contact with”. But Employee E also said that no matter who assign the goals you still have to try to achieve them. He describes the measurable hard goals as; “You have to sell for this amount, basically... we are assigned the goals, based a little on our role in the company”.

**Sales employee motivation**
Employee E said that liking his work and meeting customers motivates him. He said, “The main reason why I have stayed in the same organization for as long as I have is because I likes it here”. Employee E described himself as a competitive person and therefore said that goals trigger motivation but at the same time can be stressful, “That stuff is difficult, it depends on how you handle it, goals does not make everyone feel well”.

Employee E believes that he would do the same job without any goals at all. However, the assigned goals can help when a specific product needs to be sold and therefore it can be turned into a competition, which can trigger motivation. In the long run however, Employee E believes that competition can be stressful. Employee E said that he is used to pressure and does not personally feel too pressured by goals and competitions. He continued by saying: “But I think it is difficult in the long run if you do it all the time... If it becomes too much, then everyone feels bad. You have to be able to handle your goals in a good way, and if you then reach your goal then they are not that frustrating”. Employee E thinks it is fairly good to receive feedback, at least as long it is positive.
Employee E wants to achieve the goals because it is a feeling of satisfaction to strive for something, “It is just a feeling you have, to strive for something”. In addition Employee E said that he would also like to know how much he had been contributing to the organization on a yearly basis in order to see what his job contributes with.

**Attitudes towards centralized goals**

Employee E said that he has an understanding for the usage of goals, “I can understand that they are there and measure, but I think it would be better to do it at a unit level for the well-being of the employees”. When asked about assigned goals Employee E said: “Assigned, and assigned. Basically you only get, this is how much you are supposed to do”. He added, “I have worked here for so long, so I feel secure with myself and what I do… but sure, goals triggers”. Employee E said that he is a competitive person who is used to competing, but is also used to work as a team; “I think it is best to have a group who works towards the same goal”. Furthermore, Employee E believes that coworkers can trigger each other’s motivation, and in that way there will not be too much competition. Employee E said, “this way it is not fun for those individuals who does not achieve their goals”.

When asked about participation in goal-setting Employee E said that it has two sides; “If everyone were to participate in goal-setting, it would be very skewed for the company”. He described it as the wishes from the shareholder steers what goals they end up with, “It might be more fair to distribute it equally among the units based on what the shareholders expect. But you also have to be able to adjust your goal a little, maybe based on what you work with”. Employee E does not believe that everyone in such an organization can set his or her goal, “Although maybe you could affect it a little, but that justice part is hard and how to measure it. It is difficult because everyone are not alike”. Therefore Employee E feels a bit torn when it comes to participation in goal-setting.

Something that Employee E does not appreciate is when a goal changes when you have reached it: “Every time I would reach a goal before deadline, they would raise the goal. It would have felt nicer if everything you did after that was just extra... And then the next year you would automatically get a 20% higher goal”. However, Employee E said that he understands that the goals are assigned because it is easiest that way. At the same time he believes that “While we are sale employee, you cannot look at us as old type sellers, it does not work. It is still the relationships that will sell you the products anyway”.

5.2.6 Employee F

**Multiunit structure**

Employee F believes that in this type of organization where the sales employees does not work on commission it is difficult to be able to have individually set goals. She believes that this occurs because it is not the individual itself who affect the salary. Employee F said that it is very important that someone that notices the day-to-day work sets the goals; she adds, “The goals does not feel relevant if some random guy from Stockholm would say what he thinks that I shall do like this. Then I would feel why is that? Who gave you the mandate to say that, you have not worked here and have no idea how this unit works and how our local market works. If it is a local manager he or she understands more and has another authority towards me”. Employee F further said that
it must be locally adapted due to different markets “A small unit up in the north of Sweden does not have the same market as in Stockholm”. The local markets must be the bases of the expectations the individuals that that unit shall work towards. Employee F believes that the large multiunit structure affect how the organization works with goal, “I think the goal-setting would be completely different if we were our own small company here”. Employee F thinks that there should be more local adaption and that the organization should listen more to the individuals.

**Sales employee motivation**

Employee F said that she feels motivated “when I do something good for the customer who sits in front of me”. Employee F is motivated by fulfilling a customer’s needs, and said that she does not want to sell something “just because” and feels good about doing something that makes the customer feel good. Moreover, Employee F is motivated by meeting people and to face challenges at work, “I want to find what exactly you need, and maybe do something extra. It is an inner engine that I have”. Employee F does not describe goals as a motivator in itself but that she wants to reach the goals. “I do not feel good if I cannot reach the goals, then I feel unsatisfied and bad”.

Employee F said that she wants to be seen “The motivation is in 90% to be seen, for me it is. I want that”. Employee F further describes that if not working towards goals, it would still be important to be noticed by the closest manager. But Employee F said, “It would not be fun to work without goals, because then you do not know if you are doing a good job”. Feedback is also something that is motivating according to Employee F “Feedback is more important than the goal itself. To summarize I would say that to be noticed is the motivator”. Employee F said that goals can be uncomfortable because it is a fear to not reach them. Employee F wants to reach goals but it is not the end of the world if that does not happen. “If I have been given a goal, I want to achieve it. For me it is some sort of satisfaction”.

**Attitudes towards centralized goals**

Employee F said that she has a customer base with X number of customers. She is measured on how many percentage of her customer base that she meets with. The goal is also for her to have her all of customers’ business; “Since we make more per customer if you as a customer have your house mortgages here than only your account”. When asked if Employee F could affect the goals, the answer was “there is a certain central goal-setting, this is how much we expect from someone with your role, so I probably cannot affect that very much”. Employee F believes that it is important to be involved in the goal-setting process and that the goals cannot be static, meaning strict and unchangeable. In addition Employee F believes that goals should be participatively set, and that the way to reach the goal must be flexible, and also that the difficulty in the goals must be flexible from individual to individual. But Employee F feels that there is a risk if everyone were to set their own goals that they would be too low. “We are not a non-profit firm. But I believe that in order to achieve the best results the individuals have to participate in the goal-setting process”. Employee F further believes that it is difficult to accept assigned goals and somewhat difficult to understand the purpose with the goal. Employee F said, “I think it is easier to accept the goal and work towards it if I participate than if you just come to me and tell me what to do”. Employee F said, “To end up with the best result and satisfy the shareholders requests goals must be there because we are not a non-profit organization”. However, Employee F does see a problem with participation in goal-setting; “If you guys work with the same thing but
set different goals, then the customer could get different conditions. It gets kind of skewed. It would also make it difficult to compare performances”.

According to Employee F the organization must adapt the goals because individuals have different skills and therefore the best solution would be to measure the unit as a whole in order to strive towards the same direction. Employee F describes the assigned goals as stressful because other factors can affect the day-to-day work. Other factors can be meetings or seminars, which affect the number of sales that week because it takes time to do other tasks, and thereby making it harder to reach the goal. Employee F said that the assigned goals are static and that they do not take other factors into consideration. She said “I think it is easier to accept the goal and work towards it if I participate than if you just come to me and tell me what to do. Because if they for example tell you that you are to sell 400 house loans this month...no discussion. If the customer asks for an insurance, it does not turn out good because you try to steer them towards a house loan instead...”. In addition, Employee F thinks that the organization cannot demand too much from the employees, “It is not easy to reach the goal in during working hours, those who reach their goal probably have to put in more hours than it says on paper that they do”.

5.2.7 Employee G

Multiunit structure
Employee G said that the units differ in size and market opportunities, but that all units shall for example increase profit with 10% if that is the goal. Therefore Employee G feels that it sometimes is a long distance between decisions and the employees trying to fulfill the goals; “Sometimes it can feel as it is far... some decisions, some directives and some goals does not feel connected to the reality we are working in”. Employee G describes the organization as relatively flat in its hierarchy but that it is geographically big differences. Employee G said, “We do not always understand how and why some things have been decided”. He continued and said, “Often a regional or unit goal is broken down onto each employee, and then they have to solve it. It is fairly little room to impact the goals”. Employee G said that central decisions sometimes can affect a certain unit or certain customers in a negative way and that, “they are important to the local unit, and that can sometimes be difficult to relate to and deal with”. Employee G does not believe that the number of units has an impact on the organizations work with goal-setting. He said that “Not as long as it is a profit oriented firm where you have to show results regularly. Many claim that it would work better if it were more local, but that has already been tried and it was too sprawling and much less efficient”. It does not matter whom in the organization that sets Employee G’s goals, the most important thing is that the goals are set fair and that Employee G trusts the person setting the goal.

Sales employee motivation
Employee G is motivated to work towards measurable results, “I think that sales are fun, and sales are measurable and you can affect it yourself by how much effort and commitment you put into it”. In addition, Employee G describes the importance of being able to change what one does, both in large and small scales, through being creative and engaged the work becomes more fun and the results better. When answering the question of what effect goals has on Employee G’s motivation, Employee G answered that it had a lot of effect. Employee G describes that goals is part of day-to-day work and that it is important to reach the goals and to perform at a higher level than
the co-workers. “It is part of my everyday life to reach the goals. To beat the goals and to work better than my coworkers and stuff”. He adds, “It is to reach the goal and work smarter that is stimulating”. As a person Employee G does not think that he is a competitive person, but said that it becomes more important to strive towards goals and that he feels good about it. Employee G said that the motivation to work should decrease if not working towards goals and further describes that if there is nothing to improve or change and if there is no ambition among co-workers to improve it would be no fun to work. “I know this job, and somehow the goal is what drives me. If I were to do the job that I can and not measure it I would want to do something else”.

Employee G describes feedback as an important factor “It is important for someone to notice if I do a good job and to help me back on track if I have trouble reaching my goals”. Employee G believes that it is very important to reach the goals because as long as Employee G does that he can be outspoken about most things. If not reaching the goals, Employee G said that he would not be trustworthy about anything. Employee G is also focused on maximizing the profit for the company, he said, “At time it can be difficult when the customer does not understand that we are here to maximize profit. Customer satisfaction is only in order for us to maximize profit. It does not have a value by itself”.

**Attitudes towards centralized goals**

Employee G said that he has worked with goals for a long time and that achieving the goals are therefore a part of his daily work. Although he does not describe himself as competitive, he claims that achieving the goals have become more and more important. He said that he had three types of goals right now; to bring in new customers, generate a certain amount of revenue, and meet with a certain amount of customers every week. Employee G describes that it is important to have someone to talk with concerning the assigned goals and that the manager must be easy to reason with. Employee G is positive towards assigned goals. He said that they are often possible to achieve but that “you have to give it some thought and be creative so solve the assignments, but when you have done that it is pretty fun”. Further, when talking around assigned goals Employee G said “One can be as a robot, but I believe that it is pretty good to work with assigned goals”. When asked how much he can affect the assigned goals Employee G answers: “With the customers that I have today I cannot affect the goals at all, that I can say right now. There is no possibility to reach those goals. Most of the time they just break down the regional goal or the office goal onto each employee and then you just have to solve it”. On the other hand, Employee G said that a goal that is individually set is the best. That “it is good to be able to set own goals but that some people would probably set low goals”. Employee G said that the ones that sets the goals have made it easy for them; “They have just… One can somewhat understand in this large organization that they can say Let’s increase this to 10%, and then that is the goal. But there is absolutely no analysis on how easy it is to fulfill that in reality”.

### 5.2.8 Employee H

**Multiunit structure**

Employee H describes her role at the organization as free to control her own time and calendar, as long as she achieves her goals. Employee H said: “In this organizational structure it is possible to set goals individually if the organization look at the specific market the unit is in”. When talking about the assigned goals Employee H said “It is not
important whom in the organization that sets my goals, but it would be most natural if my nearest manager would do it”. Employee H continued by saying, “If the goals came from a higher level they might not know what is going on the lowest level of the organization, it would be more natural if my local manager would break down the goals into smaller parts so it is more individual adjusted”. About the level of the goals today she said, “they are not too high and not too low, we have found a good level”.

**Sales employee motivation**

Employee H described the meeting with the customer and the colleagues as important. Employee H said, “I am a social person who likes to meet new people and customers; that is what makes me feel driven”. Furthermore, Employee H believes that the colleagues are very important; both the business that they conduct and how they feel also affects Employee H’s motivation; “The colleagues are important, they contribute to that work is fun and they also affect how I feel”. Employee H also said; “Goals have an impact on my motivation. When the organization wants to sell more of a certain product they sometimes arrange a specific sale activity, which focuses on selling that product; this also triggers my motivation”. Employee H said that even though it is not a competition; “I am a competitive person and therefore it is definitely motivating. These products also become an “extra” thing that you always tell your customer about”. Employee H said that it would be a little bit boring to work without goals “It is nice to have visions and dreams and therefore you should have a goal to work towards; it is fun to have a goal and without it you would probably be more uniform and feel like you were standing still in the work”. She also said, “If we did not have a goal to meet a number of customers a week, it would be pretty boring. Then I could have three one week and ten another week”. Employee H thinks that the motivation would decrease without a goal. “It is good to have something to have a framework so you know where you are at”. Employee H described feedback as “It is very important because it is good to know how you perform and if there is something you need to improve”. Employee H continued by saying “It is important to receive feedback in other areas than goals as well so you know what is going on”. Employee H thinks that it is important to reach the goals in order to know how you are doing. Having incentives would not change Employee H’s opinions about reaching the goals. “It is important that it gets noticed if I have done something exceptionally well, but it does not necessarily have to be through incentives”.

**Attitudes towards centralized goals**

Employee H believes that getting assigned goals is okay as long as they are reasonable; “They cannot be overwhelming or too big so that you cannot handle them, if the goals were to be unreasonable one would probably get unmotivated and the joy of the work would be affected”. Employee H thinks that the centralized goals can be very stressful for a lot of people. As an example Employee H said that “If you for example have a bad week and do not reach your goal it does not make you feel motivated at all; it feels like shit”. Instead Employee H thinks that the organization should focus on other things. Employee H prefers long-term goals that are broad as for example having a goal of meeting the customer base on a yearly basis, and not so focused on specific products as for example house loans. Employee H further said “It is great to be able to participate in goal-setting with my manager and it is important to achieve the goals that we agreed upon”. Employee H further said, “It is important for myself to reach my goals, it is also included in my job description so therefore it is important for that too”.

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5.2.9 Employee J

**Multiunit structure**

Employee J said; “it is not possible for a large multiunit organization to set every employees goals individually. There must be some form of centralized structure, although nothing can be set in stone; the city and the market where the unit is located has a large impact on its goals”. Employee J said that it is important for a unit to try and see which way works best for them; therefore things cannot be fully centrally controlled. Employee J thinks; “Because the organization is rather flat, it is easier for each part of the organization to influence its situation”. In addition Employee J believes that; “It is more difficult in this type of organization to have a cohesive grip over the goal-setting; partly because units are located in such different areas, in small, and in large cities and partly because it is difficult to get an overview because units work differently”. Furthermore, Employee J said that the overall profitability of the company is important, and therefore there are expectations in the employees to perform. She added, “But which path to take to get there, I feel like it is important that the employees are allowed to have opinions about”. Employee J further said, “Cooperation is better at a smaller unit because people can see if someone is not working. In a larger unit people can disappear more easily, the tasks that no one does becomes more visible at a small unit”. Moreover, Employee J believes that “Having group goals or unit goals becomes more important at a small unit and that employees at those units help each other more”. Because of the cooperation Employee J thinks that goals are easier to reach at a small unit, “One person’s success will become everyone’s success”.

**Sales employee motivation**

Employee J started by saying; “The biggest stimuli is the meeting with customers that have different needs”. Employee J continued; “What I feel is triggering is to find a way to help them and satisfy the customers’ needs, to feel that I can help with that”. Employee J has been working in the organization for a while and said, “After working in the organization for a long time, I can see behind the statistics and know when I do something meaningful for the organization”. Employee J thinks that it is positive to measure the long-term relations to customers and the long-term development of employees. Employee J said that individual bonuses or incentives would not be good for this type of organization. To continue she said; “It would not be good for the relationships at the unit; everyone would be doing their own thing without caring about how others are doing”. Further Employee J thinks; “It would be good for the organization to hand out bonuses for units that are doing well... That would enhance cooperation among employees and create a nice working environment”. Employee J does not believe that it would be good to work without goals but said, “In order to provide the employees with a clear leadership the goals have to be very clear”. Employee J further said, “People would feel a little lost without goals. It is important to point out that the goal have to be achievable, realistic, and it should be possible to reassess them”. Personally Employee J feels like no one would notice what she contributes with if there were no goals. Employee J said, “Feedback is more important than the goals itself. Both feedback and goals are valuable in order to see if something is not going well, and to get a validation for a job well done”. Employee J thinks that it is important to reach the goals to feel satisfied but not for the numbers themselves. In addition she said, “It is more important for myself to reach the goals than that somebody else sees it”.

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Attitudes towards centralized goals

Employee J has worked both with no participation and with much participation in goal setting and said, “Motivation increases the more you can affect the goals yourself”. Employee J also said, “Each employee know what he or she is good at. The organization needs to have an awareness about it and see if someone might need help with something”. Employee J further described the centralized goal-setting as “The centralized goal-setting has lead to a frustration among employees. In addition, it has created a situation where no one wants to do the assignments that are not measured such as preparing for the mailman or other administrative work. These boring assignments will end up with an employee who cannot stand up for him or herself and say no, or with someone who only did the measurable activities receives praise for that while avoiding the activities that cannot be measured”.

Employee J thinks, “It is important that there is a dialogue between the employee and the supervisor so that the employees can know what is expected of them”. This dialogue is also important in order for the employee to tell the supervisor how he or she wants to achieve the goal and what “tools” that might be required. Employee J further said, “A risk with assigned goals without participation is that the goals become uninteresting to the employee. People are more inclined to work towards a goal if they set it themselves”. Employee J also believes that the danger with measuring certain products is that people can get tunnel vision and only show those products to the customers and thereby lose the fullness that the organization want to offer to the customers. Employee J sees a danger with the type of goal-setting that emphasizes certain products, such as a new insurance, because the sales employee might listen less on the wishes of the customer. The organization needs to fulfill the customers’ needs but the employee might only see what they want to sell. Employee J further believes that a good relationship with customers requires that they have a spread in products and services.

Employee J does not believe that in a personal sense it matters who sets his/her goals, although “It should be someone I have a personal relationship with who will be the one who is also the one decides my salary”. Employee J said, “If I receive the goals from the nearest manager at least it feels like I am participating!”. If a lower level manager sets the goals, Employee J thinks that he or she is better to see beyond number and understand reasons for why things happened, something that occurred at a unit. ”Certain types of events could affect everybody’s goals, and therefore it is important that the nearest manager sets them because he or she will be aware of what is going on at the unit, and take these things into consideration”.

5.2.10 Employee K

Multiunit structure

Employee K described the organization as flat in its hierarchy, but that there are certain frameworks that the regional and local manager must adapt to in order to satisfy the shareholders. Employee K said that it must be a mix of central framework and local adaptation, “In this type of company the organization must adapt depending on the geography the units are operating in”. He further said that units operating in villages with a thousand inhabitants and units in large cities have different conditions that the organization must adjust to. He described “It can be a problem with centralized goals if they just pass it out, it can be very skewed. The ones setting the goals does not know the local markets some units operates in. It is important that it is a dialogue between all the
instances of managers”. Employee K said that he wants the closest manager to set his goals, “I want the nearest manager to set the goals, no one else”. Employee K also said that the relationship with the manager is important; “If I like my manager I want to be able to deliver for that person rather than with a boss who I do not like”. Employee K also believed that there should be more room for local rewards even if the company as a whole does not perform as well. Employee K explained, “I can do a great job, but if the company does not, then I end up with nothing. There should be more room for local bonuses, individual salary discussions sounds good and all, but there are rarely any money behind it”.

**Sales employee motivation**

When asked what motivates him, Employee K said that he is a selling person who likes people. “I am not an administrator, I think that it is fun to work with customer contact and doing business. That is what motivates me… The relationships are close and I like that, I also learn a lot from my customers. Because I work with companies I learn a lot about entrepreneurs, and different industries such as local clothing firms or construction firms”. Employee K also said that he demands a lot of himself and that he has got an inner motor. “What is fun is to develop things together with the customer and making new business. To bring in new customers are the most fun”. Goals is not something Employee K thinks about in the day-to-day work, he said that “It’s not like I go around and think that if I do a good job I will reach the goal and then get a bonus, it is not that alone. It is more like a cherry on top that in the end of the year my performance can have a positive effect on my salary”. Employee K appreciates feedback a lot as a form of confirmation of a job well done. He even said, “I depend on it”. However, he also thinks that in the long run he would lose the spirit if he would only work and do a good result without it ever being appreciated with incentives, “To get a pat on the shoulder is not enough, then you would lose the inner driving force in the end”. Employee K said that it is important to reach his goals. “It is a type of confirmation that I am doing something good. If I reach the goal it is a confirmation of success so to me, it is important to reach the goal. I do not feel satisfied if I do not reach the goal. If I reach my goals I am in a good position to negotiate my salary with my manager. But it is also a form of inner satisfaction, everything is not money”. Employee K also said, “I have worked at a bank for 27 years and goals have differed throughout time, I cannot affect the quantity but I can make an effort and affect them in the way that I am the one who shall reach the goals”.

**Attitudes towards centralized goals**

Employee K is not positive towards assigned goals, he wants to be able to affect the day-to-day environment and want to be involved and discuss the goals before they are set. Employee K described that goal setting process by saying, “Earlier years the goals has just poured down from the top of the organization and that the employees have had to accept them. It is more participative now but still it feels like it just comes from the top to us employees. It is more fun to participate than to just be assigned goals. Then I feel included when I can affect the goal rather than it just being shoved to me with the words here are you goals, and go”. He also said, “External factors can affect our day-to-day... If i shall increase the revenue of my customer base with 15% and the economy is in a recession it becomes really difficult for me to reach my goals because of the customers ability to invest”. Employee K said that it becomes more motivating to work towards goals that one has been involved in setting, “It is more stimulating to sit down with my manager and discuss what goals is reasonable for me, instead of having goals forced upon me. It does not feel good…”. However, Employee K said that he thinks that
goals are important in order for the manager to see the development of the employees and stimulate them by giving goals where they might be weak. Further, Employee K thinks that people differ in their feelings towards goals, “I think that a lot of people would think that it was really nice to get rid of goals. I think that it depends on how you are as a person. I am driven by it and it is stimulating to have goals”. Although Employee K said that “I am negative to assigned goals”, he believes that he would probably slack off a little bit if there were no goals at all.
6. Analysis

6.1 Goal-setting in Organization X

“The goals coming from the organization have increased throughout the years. Officially we as employees can affect the goals but in reality that is not the case, they assign them to you”. - Employee C

Goals should be challenging but realistic to individuals in order for them to strive for it (Locke, 1968, pp.168-169; Hedegaard & Hein, 2012, p.177). When asked if it was possible to reach the goals, we received rather ambiguous answers whether the level of the goals was realistic or not. Employee A said, “The goals are not unattainable in any way”. Employee F described it as fairly high demands on the employees, and that the goals can be pretty stressful if something out of the ordinary happens, for example if you are away one day at a conference. Some employees said that the goals are right on the upper edge of what is possible. Employee B said, “The general opinion is that the goals are rather unrealistic”. Most of the employees had negative things to say about the assigned goals when asked about them. However, later on in the interview when asked if the assigned goals were realistic, none of the employees believed that it was impossible to reach them. Quite the contrary most seemed to think that the assigned goals were attainable and realistic; even some employees who had previously said that they thought the goals were too high. We can interpret this a couple of different ways. One way to look at it is that most goals are set at a good level in order for them to be motivating; they are to be high and challenging, but not impossible to reach. When asked point blank if the employees’ goals were realistic, most of them said yes. We argue that most of the employees would not have answered yes when asked if their goals were realistic if they believed them to be totally out to reach. Chamberlin (2011, pp.23-25) does not prefer to use Realistic as a criterion for effective goal-setting, instead Relevant shall be the substitute. According to Employee B the goals are both unrealistic and also not relevant because she argues that it is not reasonable that the goals are the same for everyone. As a conclusion we argue that the goals are mainly realistic for most of the employees.

Goals must also be clear and whenever possible have a deadline connected to when the goal shall be fulfilled (Locke & Latham, 1979, p.77), SMART goals also says that the goals must be time-bound or trackable (Rubin, 2002, pp.26-27). Organization X uses deadlines for their assigned goals, and the employees that we interviewed agreed that the assigned goals were clear. The employees believed that most of the goals they were assigned were clear and specific, as they were measured in numbers and trackable in a computer system. Although, a few pointed out that measuring customer satisfaction, a soft goal is difficult. Employee A said, “The soft goals could be more clearly defined, they feel a bit fuzzy. The hard goals on the other hand are crystal clear”. Another problem that did come up was that a few of the interviewees mentioned that the goals changed. Employee E said that the goal increased as soon as it was achieved before deadline. Another employee pointed out that the value of the sale of a certain product changes depending on which products the organization focuses on at the moment; Employee B believes it to be confusing when a product is “worth” more one month than the next. However, the general opinion of the interviewees seemed to be that the goals were both clear and specific. Both Locke’s goal-setting theory and SMART determines
certain criteria of how goals should be designed in order for them to be motivating. According to the interviewees’ answers we see that the design of the goals are constructed in way that should be motivating to the employee; they are time-bound/trackable, specific, measurable, and most often believed to be realistic and achievable.

Individuals must accept the goal in order to work hard for it, therefore there is a risk that an assigned goal that is too difficult will be rejected (Locke, 1968, p.168). Employees also must be committed to the goals in order for them to be effective (Locke et al., 1981, p.131; Locke & Latham, 1990, p.125). These requirements for effective goal-setting seem to be more difficult for Organization X to fulfill. Even a few employees who believed that his or her goal was clear and realistic said that they did not care about the goal. Employee B for example said, “I do not follow that system because I do not give a shit about those goals”. Employee F said, “I think it is easier to accept the goal and work towards it if I participate than if you just come to me and tell me what to do”. According to Jacobsen & Thorsvik (2008, p.283) the organization must overcome the resistances against the goals and further have the employees accepting them in order for them to be motivating. But even as some of the interviewees were negative or opposed of the goals, everyone still believed that it was important to achieve them. The reason for that was most often that the employee wanted to get a feeling of satisfaction and achievement, or because they wanted to deliver what they had promised their manager.

Even though a few of the interviewees said that they did not care about the goals, we believe that there was some form of willingness to achieve them. We argue that there could be a couple of reasons for this. For one thing, the employees did not want to disappoint their manager, so if not committed to the goal, at least the employees wanted to fulfill the expectations of the manager and co-workers. The other reason why the interviewees felt that it was important to achieve the goals was because they liked the feelings of satisfaction and recognition when they reached the goals. Like stated earlier, goal acceptance does not have to include incentives; participation in goal-setting and clear instructions of the goal can make the employee accept it (Latham & Locke, 1979, p.80). We argue that this goes in line with the importance of intrinsic motivation; most of the employees seemed to have an inner engine to achieve the goals even when there were no external rewards. However, we argue that many of the employees were not necessarily committed to the assigned goals because they did not care about the goals.

When asked what it would be like to work without any goals there were mixed answers. Employee H for example said that it would be more boring to work without goals; "It would be like standing still at work”. Employee K said, “I think that a lot of people would think that it was really nice to get rid of goals... I am driven by it and it is stimulating to have goals”. Others that we interviewed however said that they would do the same job whether there were goals or not, especially those who had worked in the organization for a long time. Employee A for example, who has not worked that long in the organization believed that young people are more used to working with goals. If we could see a pattern in the comments we got about achieving the goals, it would be that the employees who had not worked as long in the company were more eager to fulfill the goals. We believe that one plausible explanation for this is that when someone is new in the company, they wanted to show their manager and co-workers that they could perform in order to establish themselves in the company.
Overall we believe that the employees seemed to be intrinsically motivated to fulfill the goals; they highlighted their own feelings of satisfaction as main reason to reach the goals. In this sense, Theory Y seems to be what the management approach that works best on these individuals. They are motivated by the tasks itself, for example by meeting customers. Furthermore they like to have responsibility and not to be controlled, as with the Theory X approach. When looking at Locke’s goal-setting theory and the SMART goal theory we argue that Organization X fulfills most criteria that would mean motivating goals for the employees. The goals were time-bound, specific, measurable, however there were mixed feelings whether the goals were realistic and attainable. When it came to acceptance of the goals it was not as clear, a few of the employees opposed the assigned goals of reaching a fictional sum, saying that they did not care about them. On the other hand, practically all of the interviewees claimed that they wanted to achieve the goals and worked towards of doing so. To sum up, the centralized goals have a design that at least could be motivating for the employees. However, in some cases when the employees believed the goals to be unrealistic the goals could also be discouraging.

6.2 The multiunit structure

As described earlier, Organization X and other multiunit organizations often has a mix of decentralization and centralization throughout the organization. The use of centralization, standardization and directives can sometimes harm intrinsic motivation due to a lower level of responsibility left to the employees (Sherman & Smith, 1984, p.883). Even though the employees in Organization X are mostly intrinsically motivated they have some sort of acceptance for that the organization use assigned sales targets as a performance control. Regions and units in Organization X receives performance targets, and as described by (Garvin & Levesque, 2008, pp.108-109), the headquarter of multiunit organizations are often facing decisions regarding for example performance targets, and annual budget, while the different levels of managers are responsible to meet certain financial or performance targets set by the organizational headquarter. Employee C said: “I can in some ways understand that the organization requires central control and that we work towards goals. However there must be regional and local adjustments depending on the local situation but to bring it together in the end there must be some central control I guess”. Centralized decision-making sometimes reduces the individual’s sense of responsibility due to the low level of influence on their particular work situation (Jacobsen & Thorsvik, 2008, p.92).

During the interviews many of the employees expressed a willingness to be challenged and to have responsibility over their work situation. According to Black & Gregersen (1997, p.862) decentralization, where employees can participate in affecting their day-to-day activities, is often connected to a motivated workforce. The regional manager of Organization X described that the organization’s units shall work almost as individual businesses but with a certain framework for the organization to be uniform as a multiunit organization. We argue that the environment the employees are working in stimulates intrinsic motivation because of the ability to make own decisions as a sales employee and further that the tasks seems to be of value of the employees. However, the organizations use of assigned goals can be seen as a control, which can harm the intrinsic motivation of the employees (Sherman & Smith, 1984, p.883). The usage of centrally assigned goals goes against how the employees are used to work and how they are supposed to work according to the local and regional manager of Organization X,
that they shall have the mandate to control their day-to-day work. Still, due to the large multiunit structure, even the employees who disliked the centralized goals seemed to have an understanding of the control and accepted it in some ways.

Even though most of the employees accept and understand that Organization X uses assigned goals as performance control, they are against it when there are not enough local adaption of the goals. Organization X is geographically dispersed, meaning that they have units all over Sweden. The units vary in size and the local markets differ in terms of population and private economies of the customers. All of the interviewees expressed that there must be some form of local adaption of the goals. When talking about assigned goals Employee A described that it is impossible to for the headquarters to know how things are in units in whatever small place. He continued and said: *It can therefore be unrealistic that they shall do the exact same things as a large office shall do. Customers have different private economies and house prices and such are different depending on location*. Employee G also believes that there must be some sort of adaption, and that the communication of the goals and what the assigned goals are based on is important. The assigned goals must be better distributed among the employees, since some of the employees expressed that the assigned goals do not feel connected to the local reality they work in, and that there is no analysis on how easy it is for the employees to fulfill those goals. A few of the employees said that officially the goals are adapted but that in reality they are just assigned to each employee in the same way. Some of them mentioned that even though there is a discussion with the manager about the goals, it is obvious that they come from the center of the organization. All of the employees expressed that the goals must be locally adapted and many of them pointed out problems with the current distribution of goals across units. Therefore, we argue that when the assigned goals are not adapted enough to the local setting, and they can therefore be unrealistic and uninteresting to the employees, and thereby affect motivation of the sales employees in a negative way.

In order for the employees to accept the goals that are assigned to them they describe it as important to have a dialogue with the closest manager. It is also important that it is someone that notices the day-to-day work and someone that the employee has a relationship with. Employee F said: *The goals does not feel relevant if some random guy from Stockholm would say what he thinks that I shall do like this. Then I would feel why is that? Who gave you the mandate to say that, you have not worked here and have no idea how this unit works and how our local market works*. There is also a general opinion that the closer the goals are set to the employees the more realistic and relevant the goal becomes, that will also make it easier for the employee to be committed to the goal and accept it. In the structure of a multiunit organization it seems to be important for the employees to have a dialogue with their manager about the goals, even when the goals are assigned to the manager and the unit from the center of the organization. This, in order for the employees to accept the goals and not reject them because of the feeling of that the goals are not based on the local environment and market. The employees expressed that the assigned goals were not very relevant due to the dispersion of the units and therefore a dialogue with a manager may increase the relevance of the assigned goals for the employees.

In order to achieve goal-commitment, managers are important in order to convince the employees that the goal is important and realistic (Latham & Locke, 1991, p.219). In order for the employees to be committed, the manager therefore has to convince the employees of the importance of the goals, which several of the interviewees mentioned.
in our study. We argue that the employees value the discussion with their manager on whether the goals are realistic or not. When a clear explanation of the goal is set, there is a higher chance of success than if the goal is not explained at all. Many of the employees believed that the assigned goals are clearly displayed in the system, whereas they still wanted a discussion in order to understand the reasons behind the goals. Van Riel et al. (2009, pp.1200-1201) describes that if providing employees with challenging goals that are clear increases the motivation and performance because the employees feel a sense of trust from the managerial side. Van Riel et al. (2009, p.1201) further argue that it is not only the goal itself that is important; it is also how it is explained to employees for them to accept it. We argue that in a multiunit organization the local manager has a better understanding of the employees’ different customer bases and also about what kind of customers that walks in to the unit. Therefore, a discussion with the manager facilitates the acceptance of the goals, even if the employees do not particularly like the centrally set goals. The employees also express that it is important to have a good relationship with the local manager in order to accept the goals, and to make an effort to reach them. We argue that when there is no participation in the assigned goals, the relationship with the manager is still important for the sales employees in the acceptance and commitment towards the goals.

Managers with Theory X assumptions most often have low rate of participative decision-making and assumes that employees are not motivated to be involved in decisions connected to the workplace (Russ, 2011, p.829). This means that they believe that employees want to be directed and that they do not like own responsibility. This is in line with centralized decision-making and centralized goal-setting, because in that context the employees is provided with assigned goals that they cannot affect. On the other hand, Theory Y managers are more likely to involve employees in participative decision making because they believe that employees will be self-directed if they are committed to the objectives and goals (Russ, 2011, p.829). Organization X is a rather flat organization in its hierarchy and the regional manager describes the organization as decentralized. However the organization still use centrally set, assigned goals, which does not correspond to a fully decentralized organization. Because the employees in Organization X are to a large extent intrinsically motivated and used to be able to affect their day-to-day activities we argue that they are more motivated by the Theory Y way because it often has more involvement. The centrally set goals, which are often connected to Theory X, will then affect motivation in a negative way for the employees because in this situation they are not able to affect how, when and how much goals they will receive.

If the goals are to be assigned from the center of the organization, about half of the employees wants to be measured as a unit instead of having goals that are assigned to individuals. Some of the interviewees believed that being measured as a group would enhance a team spirit and cooperation within units. They argue that it would benefit the organization as each employee could focus more on his or her strengths, at the same time as being less pressured on an individual level. Being measured as a unit would also decrease the competition between employees, which some express as a problem and other express as a motivation. Another reason to measure results on a unit level rather than on an individual level is that the administrative tasks such as preparing mail, that are not measured in the goal-setting system will be equally shared among employees. We argue that there are downsides of this too, like a couple of employees mentioned, it is important that everyone contribute for this strategy to work. However, if measuring at a unit level, the skewness that, according to the interviewees, at an individual level
might be less noticeable. Many of the employees expressed that it is wrong that the assigned goals are almost the same for everyone, even though they are operating in different markets and units. Being measured on centralized goals as a unit rather than individually were brought up more times by the employees working in the small units than in the large. This could be an indication that employees working in small units are more reluctant to being measured individually, although the sample is too small to say for sure. Working in a small unit, like one of the interviewees said, it is probably easier to see what your coworkers do and the risk of someone working less if it was collectively measured would probably decrease. Otherwise there were no big differences in how individuals in small units perceived goal-setting compared to those in large units.

6.3 Sales employee motivation

The sales employees working at Organization X enjoys the working environment and does not complain about the actual working conditions. According to Herzberg et al., (1997, p.113) the hygiene factors at work refer to job context features such as job security, rewards and working conditions. The hygiene factors do not create satisfaction and motivation at work, but needs to be fulfilled in order for an employee to not be unhappy at work (Herzberg et al., 1997, p.113). During the interviews with the employees there were no employees expressing negative feelings about the working environment itself and we therefore argue that the conditions for being motivated exists. The work environment can still have an effect on motivation but the neutral feelings give us a base for our analysis about how centralized goal-setting affects the employees’ motivation in Organization X.

The organizational structure of Organization X represents what Mintzberg (1983, p.217) describe as a structure where decisions are decentralized close to the customer. Many of the employees describe their work as fun and challenging and that they have the ability to make own decisions close to the customer. Employee A said: “When a bitter customer walks in and I can turn the person around so he or she walks away happy I feel good. It is motivating to exceed the customers expectations”. According to Herzberg et al. (1997, p.113) there are also motivator factors connected to work motivation and those factors are for example responsibility and challenge. Further research argues that satisfaction is based on recognition and personal growth which then leads to motivation (Bassett-Jones & Lloyd, 2005, p.934). Since many of the employees say that they like challenges and make their own decisions regarding their daily work, we believe them to be motivated in accordance with theory Y, where management gives room for the employees to be independent. According to the local and regional manager they try to make sure that each individual receives feedback on a regular basis in order to praise the employee if he or she has done a good job or to help the employee back on track if he or she do not meet the expectations from the organization, which most of the employees appreciated. In addition the organization offers internal education in order for the employees to grow both professionally and personally. In this sense the organization helps stimulate the motivation of most of the employees because they have the responsibility in each meeting with the customer and also the ability for personal growth through education.

Most employees we interviewed at Organization X describe their motivation at work as an inner motivation, where they are motivated by an inner engine and fulfilling the
customers needs. Employee F is motivated by meeting people and to face challenges at work and she said: “I want to find what exactly you need, and maybe do something extra, It is an inner engine that I have”. However there are also employees that are more motivated by other more external factors as rewards. Employee K would lose the spirit if he would only work and do a good result and it never was appreciated with incentives. Motivation that is external to an individual can be described as Extrinsic motivation and can involve positive as well as negative rewards or consequences (Alvesson & Kärreman, 2007, p.360). In addition, this type of motivation makes an individual try to reach a reward or avoid a punishment (Amabile, 1998, p.79).

We can see a trend that the employees are mostly motivated by the task itself such as satisfying a customer and that the employees enjoys the meeting with the customer and the challenge of exceeding the customers expectations. This type of motivation can be described as intrinsic motivation and tasks that creates intrinsic motivation is said to be tasks that in itself are rewarding, such as fulfilling a customer’s needs (Deci & Ryan, 2000, p.57). Some researchers define intrinsic motivation as of a task being interesting while others connects it to the satisfaction an individual receives from task engagement (Deci & Ryan, 2000, p.56). In Sweden, work is often believed to become more intrinsically interesting when emphasis is put on wholesome interpersonal relationships and collectivism rather than individual competition (Hofstede, 1980, p.56). About half of the employees mentioned the importance of collectivism and being measured as a group, rather than individually. As an example, Employee B said, “None of us at this office like that the individuals are measured, we at this office is a unit, we work together, maybe someone is good at something and then it is better if that person does that”. Employee J and Employee E also pushes for the importance of working as a team and that individual bonus should harm the working environment. Studies have shown that deadlines (Amabile, DeJong & Lepper 1976, p.96), directives and pressure for competition can reduce intrinsic motivation (Reeve, & Deci, 1996, pp.31-32).

Most of the employees working at Organization X appreciate feedback and some employees even say that to be seen is more important than reaching a goal and that feedback act as a motivator in itself. Employee F described it as: “The motivation is in 90% to be seen...Feedback is more important than the goal itself. To summarize I would say that to be noticed is the motivator”. Employee C does not value feedback in the same way but has worked in the organization for a long time and know for himself if he has done a good job or not. Previous studies have shown a relationship between positive feedback and intrinsic motivation (Harackiewicz, 1979, p.1361). We argue that that is another reason that the environment the employees are working in is an environment that is stimulating for their intrinsic motivation. Positive feedback, which Organization X uses, also increases the employee’s self-confidence and if the employee knows that he or she will receive feedback he or she will be more motivated to perform a task (Latham & Locke, 1979, p.72). Many of the interviewee mentioned that it was important to receive feedback and to be seen, however, a few employees who had worked for a long time did not have the same need for it. We believe that their commitment to work towards the goals increased because they wanted the feelings of confirmation and recognition that they got through the feedback. A few of the employees mentioned the feedback to be even more important than the goal itself; achieving the goal was a way for them to receive positive feedback.
A pattern that we could see was that employees who had worked for a long time in the organization opinions about goal-setting and feedback sometimes differed from the other interviewees. First of all, a couple of the interviewees in this group believed feedback to be of less importance than the other employees. A few of them also mentioned that they felt secure in their role and did not think about the goals on a daily basis. Furthermore, the two employees who had worked in the organization for the shortest amount of time were relatively positive towards the goal-setting system; they said that they were used to goals and being measured. One of them also mentioned that achieving the goals was a way to establish himself in the company before he had a permanent job. Like stated earlier, we believe that our sample was too small to draw any conclusions about these patterns. However, we believe that this indicates that there could be differences between people who have worked in the organization for a long and short time. We believe that it could be because the employees who have worked for a long time need less confirmation about a job well done from the goals and the manager since they already know when they are doing a good job. However, we also want to point out that only some of the employees with long experience expressed these feelings.

A few of the employees expressed a willingness to know what they will achieve when reaching a goal in order to be motivated to strive towards them. Vroom (1964, p.17) describes expectancy as “a momentary belief concerning the likelihood that a particular act will be followed by a particular outcome”. One employee in Organization X said that in the system for assigned goals you sometimes do not know whether you have reached your goals or not because the products you are selling are not worth the same for each month. Employee B describes the assigned goals as unclear, and that she does not care to look at that system because she tries to do the best she can regardless of the goals, “The assigned goals in our system are unclear because one product can be worth more in sales for one month and the next month it is worth something else. You can see that in the end of the month... last month I got nothing for a product that I got 1000kr for selling the month before”.

The expectancy theory describes the importance of giving an effort to reach something if you know what you will receive when you are finished. If the employees does not know what they get if they reach the assigned goals they can have a hard time putting in an effort in it. A few of the employees in Organization X are not motivated by rewards but they still have a concern for what they get from doing a task. We therefore argue that in order to be motivated and give an effort they need be clear what Organization X expects from them and what they receive when performing a task. The rewards does not necessarily need to be monetary but can also be positive feedback and recognition. MacLeod (2012, pp.70-71) mentions that in order for goals to be effective SMART goals shall be extended to SMARTER where the last two letters are engaging and rewarding. As rewards, not only external rewards, seems to be important we argue that if the employees’ know what they will receive the goals will be more motivating. Organizations shall focus on psychological growth such as responsibility to increase the level of intrinsic motivation among employees (Sachau, 2007, p.390). Furthermore, organization’s use of monetary rewards to motivate employees will trigger extrinsic motivation but it will not make the employees interested in their jobs and the task they are performing (Sachau, 2007, p.390). As Jacobsen & Thorsvik (2008, p.265) says, the individual has to believe in the correlation between the effort they make and the reward,
to believe that the result the employee is striving towards will result in the desired reward.

### 6.4 Attitudes towards centralized goal-setting

In our interviews we have received a mixed set of feelings towards centralized goals. The general opinions were rather negative towards centralized goal-setting without participation. One individual stood out as being more positive than the others. Employee G is positive towards assigned goals; he was the one who most liked to be measured, and said he probably would want to work somewhere else if there were no goals. We see Employee G as more extrinsically motivated than his co-workers; he enjoys the measurable results, deadlines, and focus is on maximizing profit. Besides Employee G, there were a couple of employees who liked or were okay with assigned goals under the conditions that the goals were reasonable, although they all preferred participation in the goal-setting process. Employee H said; “They cannot be overwhelming or too big so that you cannot handle them, if the goals were to be unreasonable one would probably get unmotivated and the joy of the work would be affected”. Some of the interviewees, mainly the ones who had worked in the organization for more than 20 years, said that they were not personally stressed out by the goals; some of them mentioned that they felt secure in their role in the company and were able to see beyond the goals. Employee J and Employee C for example said that they could see beyond statistics and know when they had done something good for the organization. However, a couple of them said that they did not like that the goals were measured individually, and believed that it put negative pressure on some people.

Other concerns regarding centralized goals came up during the interview process. Employee K for example is not positive towards assigned goals, he wants to be able to affect the day-to-day environment and want to be involved and discuss the goals before setting them. Moreover, Employee H thinks that the centralized goals could be very stressful for a lot of people, she said “If you for example have a bad week and do not reach your goal it does not make you feel motivated at all; it feels like shit”. While goal-setting can have a positive effect on extrinsic motivation, the downside is that it can have a negative impact on intrinsic motivation (Ordóñez et al., 2009, p.11). We believe that this shows that the centralized goals sometimes have a negative effect on the intrinsic motivation, as a few of the employees straight out expressed that they felt unmotivated and pressured by the assigned goals. About half of the employees mentioned that they could have a good or bad week that would depend on the customers’ private economy and their willingness to conduct business that particular week rather than of the effort of the employee. Therefore, we do not see the assigned goals as motivating when the employees felt that they could not impact whether they reached the goal or not.

Like stated earlier, many of the employees also had trouble accepting the assigned goals. Some mentioned that it is difficult to accept assigned goals and somewhat difficult to understand the purpose with the goal. Employee D feels that the goals are stressful and that they are followed up too often. When employees have trouble accepting the goals they are not an effective motivator. Hedegaard Hein (2012, p.184) believes that there are pitfalls with the goal-setting theory; used in the wrong way it can create more problems than solutions. We see it as a problem when employees who are motivated by meeting customers and enjoy their work, become frustrated over goals that
were supposed to motivate them. If the employees’ motivation decreases because of these goals it would not benefit the employees, the customers, or the organization.

One problem with goals is that employees’ focus can become too narrow and that they ignore other responsibilities that are not specified by goals (Hedegaard Hein, 2012, p.184). This issue came up several times through the interview process. Employee J for example explained, “...no one wants to do the assignments that are not measured such as preparing for the mailman or other administrative work. These boring assignments will end up with an employee who cannot stand up for him or herself and say no”. We believe that this could be an issue for organizations since it affects how the employees feel about their working environment, as about half of the interviewees expressed annoyance over the matter. The goals can therefore have a negative effect on what Herzberg (1983, p.113) describe as hygiene factors, such as interpersonal relationships and working conditions, because they can create a dysfunctional working environment.

During the interview with the local manager, she described the organizations use of rewards as that the organization does not encourage competition to a large extent. However, sometimes they arrange smaller competitions in order to sell more of a specific product. The reward for that type of competition can be a bottle of wine or a gift card to a restaurant. The effect of assigned goal-setting when the organization arrange sales competitions or activities to put more focus on certain products, is that it triggers many employees’ motivation to make an effort to sell the product. Some of the employees mentioned that these assigned product focused goals can help when a specific product needs to be sold and it can be turned into a competition, which can trigger their motivation. In this sense we argue that assigned goals can be effective to increase motivation to sell a certain product or service.

It is clear to us based on our empirical data that all of the employees feel more positive towards goals when they can participate in goal-setting rather than having the goals assigned to them. Some researchers claim that goals work best if they are participatively set (Vroom, 1964, p.267; Merchant & Van Der Stede, 2007, p.240). Since the motivational effect on goal-setting can be lost when there is no goal commitment (Locke et al., 1981, p.131), it is important for organizations to make their employees feel committed to the goals. Through our interviews, we found that participating in goal-setting made it easier for the employees to accept and to feel committed to the goals. Employee C said, “It is always easier to be motivated if you can participate in the goal-setting and affect it”. A risk with assigned goals without participation is that the goals become uninteresting to the employee. Individuals are more inclined to work towards a goal if they set the goal themselves. We saw that the employees were more positive towards the goals that they had participated in setting. For example, one employee who were able to choose from a few different goals, like on which parameters he wanted to be measured on, were a lot happier with that goal than the goal that he was just assigned without participation.

While some researchers seem to disagree on whether participation in goal-setting is the most effective way to set goals (Latham & Locke, 1991, p.218; Merchant & Van Der Stede, 2007, p.240; Ordóñez et al., 2009, p.11), our data showed that participating in goal-setting was more motivating than having goals assigned in this company representing the case. Employee F said, “I think it is easier to accept the goal and work towards it if I participate than if you just come to me and tell me what to do”. We
therefore want to emphasize that participation is important to the employees in our study in order for them to accept, and feel committed to the goals, which we previously mentioned in the theoretical chapter as a requirement in order for the goals to be motivating. In addition participation will make the goals more interesting and relevant to the employees. Furthermore, most of the employees were positive towards goals that they could participate in its setting, and only a couple mentioned negative aspects of those goals. While most employees were positive towards goals in general and believed that they triggered motivation, the majority was negative towards the assigned goals that they could not affect. We therefore argue that participation in goal-setting, to influence, an appropriate quantity level, type of goal, or what to measure, may be the differences between having a positive or negative approach towards goals.

One reason why individuals may reject a goal is because it is unrealistic or too difficult to achieve (Locke, 1968, p.168). Based on our empirical data, we argue that since individuals have different skills and abilities, what is realistic and challenging to them differs. We believe that the reason why some employees do not accept the assigned goals is because the quantity level of the goal does not suit the individual. Besides quantity, some employees expressed that they prefer to work with certain tasks, such as savings, and they might not want to have goals to sell credit cards or insurances. Tasks they do not prefer to work with may be outside their comfort zone. People will attempt to work with situations that they believe are within their self-perceived skills, and try to sidestep situations that they believe to exceed their abilities (Bandura, 1977, p.203).

We argue that a reason for employees to reject a goal could be because they have low self-efficacy and therefore decide not to try to achieve it, and thereby reject the goal. One employee for example described how she would prefer to “give” certain assignments to colleagues who she thought would do a better job because people are good at different things. Self-efficacy has an impact on which activities someone decided to undertake, but also on how long one will attempt at succeeding with the activity when obstacles occur; the more perceived self-efficacy, the more efforts one will put into the activity (Bandura, 1977, pp.193-194). By participating in goal-setting, individuals have more to say about which goals, and the level of them, they should have. Employee J said, “Each employee know what he or she is good at. The organization needs to have an awareness about it and see if someone might need help with something”. Thereby we argue that by using participatively set goals, organizations increase the chances that the employees will find the goals relevant, accept them, and believe that they can achieve them. If there were no participation in goal-setting, our interviews showed that the chances of unrealistic or non-accepted goals increased.

Although the interviewees were positive towards participation in goal-setting, a few of them also pointed out problems with it. One issue with participative goal-setting that was brought up was the fairness aspect. Employee F for example pointed out two problems with participation in goal-setting. For one thing that it can be unfair if people with the same job has different goals, she said, “If you guys work with the same thing but set different goals, then the customer could get different conditions. It gets kind of skewed. It would also make it difficult to compare performances”. She has a point, because to some extent the performance can impact the salary. If someone with a lower goal reach it and someone with a higher goal does not while his or her performance was higher, who get the highest salary then?
The fairness between individuals’ goals was also brought up by a few employees. We can see that this is a difficult balance, for Organization X as well as for other companies. On one hand, individuals are different and how they are motivated and feel about goal-setting differs, so giving them goals that are adjusted to suit their preferences and abilities might improve their motivation. On the other hand, fairness seem to be important to employees who mentioned downsides with participation in goal-setting, therefore the result of setting individually adapted goals might create other issues for the organization. One positive effect of centralization is that when activities in the organization are the same, centralized decisions will support the commonality (Kates & Galbraith, 2007, pp.154-155). By setting individual goals, it would make it more difficult to compare performance, which also affects the salary levels and rewards. We see a risk that if people perceive the assigned goal-setting system to be unfair, it could have a negative impact on what Herzberg describe as the hygiene factors of the working environment, such as salary, interpersonal relationships with co-workers, and status. When not fulfilled, these are factors that could cause people to be unhappy with their working environment (Herzberg et al., 1997, p.113).

The other problem that Employee F pointed out in the quotation above concerning participation in goal-setting was that customers get different conditions if they meet employees with different goals. However, employees are still allowed to use their own judgment on which products to sell, even though the organization might value the sale of some of them more. The employees expressed that the organization can push for the sale of a certain product but that they cannot control it by forcing employees to sell. This shows that the employees want to take responsibility of their customers and make their own decisions regarding their work, which this type of decentralized structure allows them to. In accordance with intrinsic motivation, the employees seemed to be more motivated by the task itself and fulfilling the customers’ need rather than to sell the product that is in line with the wishes of the organization. Also in accordance with Theory Y, employees are trusted to take responsibility without being controlled in a strict sense.

In spite some of these issues of individual goal-setting we can conclude that all of the employees that we interviewed wanted to participate when setting the goals. They thought it was important in order to commit to the goal, and making the goal more motivating. Like we stated earlier, Theory Y proposes a management style that allows employees to work towards objectives because they are intrinsically motivated and like responsibility without being controlled. While Theory X managers assume that the employees are not motivated to be involved in decision-making at the workplace (Russ, 2011, p.829). We see the centralized goals as a form of control that does not correspond with people being more towards intrinsically motivated, enjoying the tasks and taking responsibility without the use of “carrots and sticks”. We also argue that there is some form of miss-match between centralized goal-setting and this type of flat organizational structure, where employees are trusted with responsibilities and decision-making. Our empirical data shows that employees want to participate in the goal-setting process through a discussion with their closest manager. However, like many of the interviewees pointed out; there need to be a framework of goals in order to satisfy the shareholders. Even the employees who disliked assigned goals acknowledged and understood that in some form, they needed to be there. What seemed important to the interviewees though, was that the goals were just not “thrown in your face”. Sitting
down with the manager and talking about the goal was important even when employees said that they did not believe they could actually affect the goal.

We used a mixed sample of employees; men and women, employees in small and large units, and a variety of how long people had been working in the company. Although we believe that our sample is too small to draw any definite conclusions about differences in how these employees were affected by centralized goal-setting, we would still like to acknowledge the matter. In our empirical data, we did not see evidence of there being any differences in how men and women perceived goal-setting, nor by that the role they had in the company.
7. Conclusion and recommendations

7.1 Conclusion

The multiunit structure
In the case of Organization X, employees have an understanding of centralized control in the form of assigned goals due to the multiunit structure where the units of the organization are dispersed. Even though many of the employees disliked assigned goals, the employees expressed an understanding of the need for control in order for the organization to be uniform. Furthermore, the employees accept the shareholders performance requirements and therefore recognize the use of assigned goals. Because the employees’ understanding of the use of assigned goals seems to be based on the size and the dispersed structure of the organization, we believe that employees in other multiunit organizations could have the same understanding. Multiunit organizations are geographically dispersed and if the organization uses centrally set goals for their sales employees, it is important for the organization to locally adapt the goals, and to explain the basis of the goals to the employees. It was evident in this case that the employees felt that the decisions coming from the center of the organization came too far away and it made it difficult for the employees to be motivated by those centralized assigned goals.

We can also conclude that in this case the employees think that it is important that the person who sets the goals is well informed about the unit, notices the day-to-day work, and is someone who the employee has a relationship with. In order for the employees to accept the assigned goals and to be committed to them there must be room for discussion about the goals, for the employees to feel a sense of involvement and be motivated by the assigned goals. Whether the goals are assigned centrally, from the region or at a unit level, the employees still emphasis that they want a dialogue with their closest manager about the goals. We believe that a dialogue about the assigned goals could be important for other multiunit organizations in order for the employees to feel motivated.

In this case study the employees believed that if the goals must be assigned from the center of the organization, several of them want to be measured as a unit instead of individually.

Sales employee motivation
The results of this study show that the employees are satisfied with the working environment and that they are motivated in their work. The employees working in Organization X are mostly intrinsically motivated and driven by satisfying customers’ needs and like to be challenged by finding the best solution for the customer. In the case of this organizational structure, the employees are used to be able to take own decisions in their day-to-day work, and therefore prefer a work situation where management gives room for the employees to be independent.

Many of the employees had a positive view on working with goals in general; they wanted something to strive for and measure their performance to keep track of their own progress. Furthermore, in this case the employees described a willingness to achieve the goals. In order to be motivated to reach a goal, some expressed a need to
know what they would receive if reaching a goal, whether it being recognition or a monetary reward. The importance of having clear and consistent goals is also important for employee motivation in Organization X; some described that they did not care about the assigned goals because they did not know if the goals would change throughout time. In line with existing research, we can conclude that the goals were less motivating to the employees when they were unclear and not constant.

**Attitudes towards centralized goals**

In this case study we can conclude that most of the employees disliked assigned goals that they could not affect, although the reason for it differed. We saw two main problems with the assigned goals, which have a negative effect on employee motivation. For one thing, employees expressed frustration over being controlled in their otherwise self-directed work environment. The other problem was that the employees thought that the goals were not based on the reality that they are working in; it felt like the goals were set far away and not adjusted enough to the local unit. In a situation when a multiunit organization is dispersed in different markets, we believe that it is challenging for organizations to set centralized goals that are properly adjusted to the local environment, in order for them to be motivating for the employees. Assigned goals can sometimes also have a positive effect, since it can trigger employees’ motivation to sell more and focus on certain products, especially when competition was involved.

We can also draw the conclusion that participation in goal-setting was more motivational for the employees than having goals assigned to them. In this case, when the employees were able to participate and have a discussion with their closest manager, they were more accepting, and committed to the goals. Furthermore, the employees felt that participating in the goal-setting process along with their manager was better in order for the goal to be interesting and realistic to them. We argue that when employees were able to participate in goal-setting, the employees were more motivated to work towards achieving the goals. Our research supports previous research that claims that participation in goal-setting has a positive effect on motivation.

We saw some indications that there is a difference in how employees of different ages are affected by goals. Young employees and employees that have not been employed for a long time were more positive to assigned goals and more motivated to strive towards them as they claimed to be used to working with it. On the other hand, older employees with more experience in the organization were more negative towards assigned goals because they felt secure in their role and were confident on what they contribute with without having assigned goals. However, this pattern is not definite because the sample of this case study is too small to draw such conclusions.

The employees are motivated by meeting customers in a self-directed environment where managers give room for them to be independent. Sales employees in this type of organizational structure are used to have the mandate to control their day-to-day work activities, and therefore it becomes frustrating for them to partly be controlled in terms of sales targets. Centralized assigned goals have a negative effect on motivation for many of the employees who expressed frustration over the assigned goals. We argue that this occurred because the assigned goals felt unrealistic due to low local and individual adaption. Furthermore, the employees’ motivation is affected negatively
because they feel controlled and directed. However, the assigned goals can temporarily trigger motivation to sell certain products for example through a competition.

7.2 Our recommendations

If a multiunit organization is to use goals as performance control, we believe that participation is preferable because the employees are often used to control their day-to-day work. Therefore, it can be contradictory to control the employees by using assigned goals that they cannot affect. The employees expressed that is more motivating to work towards participatively set goals as it increased their commitment to the goals.

In this case, the employees expressed that the goals were not sufficiently adapted to the local units, and therefore had a difficult time accepting the goals. Therefore we argue that when participation is not possible, the distribution of the centrally assigned goals have to be well communicated and explained to the employees, and that organizations give room for local adjustment of the goals. We argue that the employees would have an easier time accepting the goals and feel committed to them, and thereby become more motivated. Furthermore, since it came up so frequently, we suggest that Organization X evaluates whether it would be more motivating to measure the employees at an individual or at a unit level.

7.3 Contribution to existing knowledge

The multiunit organization has received little academic attention (Garvin & Levesque, 2008, p.108). This study has contributed with knowledge about the motivational effect of using assigned goals in the multiunit structure. A multiunit organization has characteristics of both centralization and decentralization where the sales employees often have the mandate to take own decisions close to the customer. The employees are therefore used to have responsibility over their day-to-day activities but are still controlled in terms of assigned goals. The mainly intrinsically motivated employees in this case expressed an understanding of the assigned goals. However, they had difficulties being committed to the goals because they felt that the goals were set too far away from their local market.

Previous research has shown a disagreement in the matter whether goals works best if they are participatively set (Merchant & Van Der Stede, 2007, p.240; Ordóñez et al., 2009, p.11). The results of our case study show that in a multiunit organization the employees want to participate in the goal-setting process in order for the goals to be motivating. We can conclude that the employees perceive the goals more realistic and interesting if they can be a part of setting the goals. Furthermore, according to the employees it is easier to accept the goals and be committed to them if they are set with a discussion and not assigned without participation.

Furthermore, according to Finansförbundet (2013) goal-setting and especially sales targets has increased in the banking/insurance industry and many employees express that the focus on selling and control has increased. With this study we will provide managers with an understanding of the effect the assigned goals has on the employees’
motivation. Motivation is important in order for an organization to stand out from its’ competitors and therefore it is important for organizations to understand the effect of performance control.

7.4 Future research

One recommendation for future research on how centralized goals affect motivation among sales employees in a multiunit organization is to compare if there are any differences working at a small unit versus a bigger unit. Some interviewees in our study mentioned that it is easier to feel like a group at a smaller unit and therefore assigned goals on individuals may affect motivation in another way than at a large unit where there is more focus on the individuals than the group. While our study was limited to three units, we suggest that larger studies could be conducted on more units, and different companies to see if any patterns emerge. During our interviews, several of the employees have suggested that there could be differences in motivation and opinions about goal-setting between units. Since we believe that our sample was too small to draw such conclusions, we suggest it as a topic of future research.

In addition to see the difference between unit sizes, we also suggest that future research pays attention to the dispersion and geographical differences between units. In our study, many of the employees mentioned that since different units face different markets, the goal-setting system affects motivation differently. We suggest that future research takes market, dispersion, unit size into consideration when looking at goal-setting and motivation in this type of organizational structure.

Some employees expressed that they did not know if they would get something out of reaching a goal, since the possibility of a reward was more dependent on company performance than individual performance. Most of the interviewees was intrinsically motivated and had an inner engine to satisfy the customers needs but we argue that it is interesting to see whether a reward could help the employees to be motivated to strive towards the assigned goals or not. Several of the employees brought up salary and rewards in the interview process, even though it was not the focus of our research. Therefore, we suggest that in future research, more attention is paid to rewards.

During our research we found that the time of employment and age had an effect on how they received and accepted the goals. The younger employees had a more positive attitude towards goals itself. The employees who had work for a long time in the organization did not care about the goals as much and had more confidence in not striving towards them. We find this interesting and we would therefore suggest that future researchers to see what role age and experience play in how employees are affected by goals.
8. Reflections

8.1 Quality criteria

In a qualitative study it is important to reflect over certain quality issues. Bryman & Bell (2011, p.395) suggest that we as researchers shall address trustworthiness and authenticity where trustworthiness can be further divided into confirmability, dependability, transferability and Qualitative validity. Confirmability concerns that we as researchers act in good faith and ensures the objectivity of the research (Bryman and Bell, 2011, p.398). This means that the findings of this study shall represent the situation of the research rather than being influenced by personal opinions and beliefs. As previously mentioned we have tried to be as objective as possible and we have presented our theories and our empirical data directly from the original source. However, we are aware of that our personal beliefs and pre-understandings will somewhat influence the study. We believe that our sample is representable which will facilitate to give a fair view of the research topic.

Miles & Huberman (1994, p.278) describes dependability as if other researchers would be able to reveal the same information as we did from our interviews and whether the process of the research has been consistent and if the research method has been followed. We have provided a description of how we have acted during the interviews and how the study has been executed in Chapter 4, Theoretical methodology. Conversely, qualitative studies and case studies cannot always be replicable because the results should reflect the reality in the moment the information and data was collected (Saunders, et al., 2009, p.327). We are aware of the fact that case studies are difficult to fully replicate but we have tried to describe the type of multiunit organization we are researching and the different features of the structure and the centralized goals. We have also described how our sample was chosen and the content and process of the interviews. Our descriptions of the study will be a guideline for other researchers and our results will provide organizations with an understanding even though the study is not generalizable. The concept of transferability is connected to if it is possible to generalize the study to the entire population (Bryman & Bell, 2011, p.398). As described earlier we do not attempt this study to be generalizable because the sample is relatively small in a mid- to large-size organization operating in the banking/insurance industry. However, we believe that the results of this study can be helpful for other multiunit organizations using centrally assigned goals, and also contribute to the existing research in the field because the research topic has not been extensively investigated.

Validity is another quality issue to consider and it concerns whether the results of a study are what they appear to be (Yin, 2009, p.40). Yin (2009, p.41) further says that a researcher shall think about construct validity, internal/external validity and reliability. We have carefully had this in mind throughout the research process where we for example have had the local manager reviewed drafts about information of Organization X in order for us to not misunderstand the structure of a multiunit organization and its use of centralized goal-setting. Furthermore, we have used an interview guide derived from our theoretical framework and described our research in order for other researchers to be able to test this research topic again in another organization. As our aim is for others to get an understanding of the research topic we consider our study to
be helpful for others wanting to investigate the effect centrally assigned goals has on sales employees in another multiunit organization.

The authenticity of a study concerns if the research demonstrate different viewpoints of the social setting (Bryman & Bell, 2011, p.398). We have included individuals working with different customers at different units in order for our sample to provide us with the understanding we need for the research. We have equally demonstrated the respondents’ opinions and we, as researchers have been present during the interviews. Furthermore we have analyzed the gathered data together in order to avoid personal opinions about a topic or event. We have together reflected over different interpretations in order for the answers to be easier to categorize into our different themes in our empirical data and analysis.

8.2 Limitations

The size of the sample was an intentional choice. We believed that the sample size provided us with an opportunity to get an understanding for, and illustrate our research topic, which was the purpose. However, we still consider the sample size to be too small in order for us to draw any definite conclusions about the different parameters in our sample mix. We still wanted to include a mixed sample though in order to see if there were any clear patterns. Had for example all women said one thing and all men another, we would have wanted to mention it.

Another limitation to our study is that the local manager provided us with contact information to the employees that we could contact for interviews. This could potentially have skewed the results if the manager was bias in the selection process, although the employees who we interviewed had volunteered to participate. We consider their voluntary participation to be necessary in order for them to speak their mind. However, the manager was given to opportunity to choose among those who volunteered and we consider that to be a limitation.
9. References


Appendix 1

Interview Guide Swedish version

1. Kön
2. Ålder
3. Bakgrund (utbildning, tidigare erfarenhet)
4. Vad motiverar dig i ditt arbete?
5. Hur påverkar mål din motivation?
6. Vilka mål har blivit tilldelade till dig? Kan du berätta lite om dom?
7. Kan du påverka de mål som blivit tilldelade till dig?
   - Kvantitet, produktfokus etc.
8. Om du kan påverka, på vilket sätt kan du påverka målen som blivit tilldelade till dig?
9. Vad är din inställning till tilldelade mål där du inte kan vara med och påverka målen?
10. Vad är din inställning till mål som du kan vara med och påverka?
11. I den här typen av organisationsstruktur, kan alla de anställda vara med och påverka sina egna mål? Varför/varför inte?
12. Är dina tilldelade mål realistiska? Varför/varför inte?
13. Är målen tydliga? Varför/varför inte?
14. Är målen specifika? Varför/varför inte?
15. Hur skulle du känna om du jobbade utan mål?
   - Hur skulle det påverka din motivationen?
16. Vad tycker du om feedback och återkoppling?
17. Är det viktigt för dig att uppnå tilldelade mål? Varför/varför inte?
18. Hur tror du att organisationens struktur påverkar målsättningsprocessen?
19. Vem i organisationen vill du sätta dina mål? Varför?
20. Finns det något företaget kan förbättra när det gäller målsättning? I så fall vad?
Interview guide English version

1. Gender
2. Age
3. Background
4. What motivates you at work?
5. How do goals impact your motivation?
6. What goals have been assigned to you? Please explain.
7. Can you affect the assigned goals?
   - Quantity, product focus etc.
8. If you can affect the assigned goals, in what way can you affect them?
9. How do you feel about goals that are assigned to you that you cannot affect?
10. How do you feel about goals that you can affect?
11. Do you believe that the employees in a multiunit organization can participate in the goal-setting process? Why/why not?
12. Are the assigned goals realistic to you? Why/why not?
13. Are goals clear to you? Why/why not?
14. Are the goals specific? Why/why not?
15. How would you feel about working without goals?
   - How would that affect your motivation?
16. What do you think about feedback?
17. Is it important for you to reach the assigned goals? Why/why not?
18. How do you believe that the structure of the organization affects the goal-setting process?
19. Who in the organization shall assign the goals to you? Why?
20. Is there anything the organization can improve in the goal-setting process? If so, explain.