

This file was downloaded from BI Open Archive, the institutional repository (open access) at BI Norwegian Business School <http://brage.bibsys.no/bi>.

It contains the accepted and peer reviewed manuscript to the article cited below. It may contain minor differences from the journal's pdf version.

Kuvaas, B., Buch, R., & Dysvik, A. (2016). Performance Management: Perceiving Goals as Invariable and Implications for Perceived Job Autonomy and Work Performance. *Human Resource Management*, 55(3), 401-412.
doi:10.1002/hrm.21680

Copyright policy of *Wiley*, the publisher of this journal:

Authors are permitted to self-archive the peer-reviewed (but not final) version of a contribution on the contributor's personal website, in the contributor's institutional repository or archive, subject to an embargo period of 24 months for social science and humanities (SSH) journals and 12 months for scientific, technical, and medical (STM) journals following publication of the final contribution.

<http://olabout.wiley.com/WileyCDA/Section/id-817011.html>

**Performance Management: Perceiving Goals as Invariable and Implications for
Perceived Job Autonomy and Work Performance**

In press: Accepted for publication in Human Resource Management

*Bård Kuvaas, Professor
BI Norwegian Business School
Nydalsveien 37
0484 Oslo
Norway
Email: bard.kuvaas@bi.no
Tel: +4746410731
Fax: +4746410701

Robert Buch, PhD
BI Norwegian Business School
Nydalsveien 37
0484 Oslo
Norway
Email: robert.buch@getmail.no
Tel: +4747951964
Fax: +4746410701

Anders Dysvik, Professor
BI Norwegian Business School
Nydalsveien 37
0484 Oslo
Norway
Email: anders.dysvik@bi.no
Tel: +4746410713
Fax: +4746410701

*Corresponding author

Performance Management: Perceiving Goals as Invariable and Implications for Perceived Job Autonomy and Work Performance

Abstract

In the present study, we investigated whether perceiving goals as invariable is negatively related to work performance and whether this relationship is mediated by perceived job autonomy. Perceiving goals as invariable refers to the extent to which employees believe that the goals in a performance management system represent absolute standards that they must meet without exception, even if they think other factors are more important (e.g. situational factors or factors that are not associated with goals). In support of our hypotheses, we found a negative relationship between perceiving goals as invariable and work performance and that perceived job autonomy mediated this relationship. Theoretical and practical implications and directions for future research are discussed.

Keywords: performance management, job autonomy, work performance

Performance management refers to a broad set of activities aimed at improving employee performance (DeNisi & Pritchard, 2006). It typically involves three interrelated activities: setting goals, evaluating goal attainment, and providing performance feedback. Ideally, performance management should be viewed and implemented as a continuous process (Aguinis, Joo, & Gottfredson, 2011). Still, in many organizations, these activities are often organized as formal and discrete events that occur once or twice a year. For instance, in explaining why performance management is broken, Pulakos and O’Leary (2011, p. 146) argued that “a significant part of the problem is that performance management has been reduced to prescribed, often discrete steps within formal administrative systems that are disconnected from the day-to-day activities that determine performance management effectiveness.”

Numerous challenges are associated with performance management activities that are not connected to one another or to day-to-day activities (for reviews and examples, see Aguinis et al., 2011; DeNisi & Pritchard, 2006; Pulakos & O’Leary, 2011). A particularly practically relevant challenge is that of timing and lack of dynamism and flexibility (Murphy, 2008; Pulakos & O’Leary, 2011). When goals¹, objectives, targets, key performance indicators, performance standards, and the like are established or agreed upon once or twice a year, or even quarterly, a chance exists that some of them will become obsolete, redundant, or wrong (e.g. too high or too low) during the performance cycle. If this is the case, the question is whether employees should adjust their goals or continue to strive toward meeting them. In the present study, we investigate the perception of goals as invariable and how such a perception

¹ In practice, these labels are often used interchangeably. We will mainly use the label “goals.”

relates to perceived job autonomy and work performance. Specifically, we argue that perceiving goals as invariable should be negatively related to work performance and that perceived job autonomy will mediate this relationship. We define perceiving goals as invariable, as the extent to which employees believe that the goals in a performance management system are absolute standards that must be met without exception. Perceiving goals as such implies that an employee believes that few or no alternatives to goal attainment exist, even if (s)he thinks other factors are more important (e.g. situational factors or factors that are not associated with goals).

Even for tasks that are relatively predictable, goals that are established at the beginning of a performance cycle often do not account for eventualities and situation-specific factors that may arise during the cycle. Additionally, many jobs contain performance-relevant aspects that do not lend themselves to setting goals at all (Pulakos & O'Leary, 2011) — at the least, specific or quantifiable ones (Murphy, 2008). Accordingly, goals that are established or agreed upon at the beginning of a performance cycle may inhibit opportunities to take evolving and/or situational factors — or performance-relevant factors that are not associated with goals — into account until a new performance cycle is started.

In theory, an easy remedy for such a potential pitfall would be to consider goal setting as a dynamic and continuous process (Latham, Almost, Mann, & Moore, 2005) and to simply revise the goals when needed. An organization can do this formally by engaging both the immediate supervisor and the employee and by writing down the revised goals or otherwise by providing the performance management system with updated information. Alternatively, organizations can communicate that employees are expected to act responsibly and to use their competence to continuously assess the validity of the assigned goals, including whether priorities other than goal attainment are required. In such a case, unmet goals, or the overachievement and underachievement of goals, would be expected and justified if the

situation demanded it. Many organizations probably trust their employees to use their competence in and their proximity to the task to make such judgments during the performance cycle. Still, when communicating with practitioners while giving professional talks or in executive education, our experience is that both managers and employees vary with respect to the extent they perceive that they are trusted to do so by top management and/or the HR department. In addition, their experiences with respect to whether they are expected to make such judgments or whether they should view the goals as invariable during the performance cycle varies in similar ways — even within the same organization.

By investigating the relationship between perceiving goals as invariable and work performance, as well as the mediating role of perceived job autonomy, we intend to make two distinct contributions to performance management research and practice. First, if our initial observations are right — namely that some employees and even managers perceive goals as invariable to some extent — it is important to learn whether such perceptions can negatively relate to work performance. Second, by investigating perceived job autonomy as a mediating mechanism, we respond to calls for empirical research on the role of job design, motivation, and engagement in performance management (e.g. DeNisi & Pritchard, 2006; Gruman & Saks, 2011; Pulakos & O'Leary, 2011). Since the ultimate goal of performance management is to increase performance, we need to investigate more proximal and intermediate outcomes that precede work performance in order to learn more about the mechanisms that can account for a relationship between performance management and performance (Gruman & Saks, 2011). We argue that perceived job autonomy is a relevant construct in this respect: It is a very robust predictor of work performance (Humphrey, Nahrgang, & Morgeson, 2007) and plays a key role in dominant theories of motivation, such as the job characteristic model (J. R. Hackman & Oldham, 1976), self-determination theory (Gagné & Deci, 2005), work

engagement (Christian, Garza, & Slaughter, 2011), and psychological empowerment (Seibert, Wang, & Courtright, 2011).

Theory and Hypotheses

The more employees perceive goals in a performance management system as invariable the less they will take evolving and/or situational factors — or performance-relevant factors that are not associated with goals — into account when conducting their work. If an employee is competent, that is having the necessary knowledge, skills and abilities, in addition to being proximate to the task and situation, s(he) is probably able, in most cases, to judge whether and when other priorities than strict goal attainment is warranted. If such an employee finds that improvisation is needed or that other priorities than goal attainment are currently more important, but still stick to the goal(s), it would probably be negatively related to work performance. Put slightly different, if other priorities actually are more important for work performance than goal attainment, rigid compliance to *goal performance* should relate negatively to *work performance*. Thus, unless most employees “are passive, reactive respondents to their context” (Parker, Bindl, & Strauss, 2010, p. 2), proactive behavior to adjust the goal would probably be more effective than perceiving the goal as invariable when other priorities than strict goal attainment is believed to be the right thing to do. Being proactive is about “taking control to make things happen rather than watching things happen” (Parker et al. 2010, p. 2) and it typically refers to aspiring and striving to bring about productive changes in the work environment.

Indirect support for this proposition is found in macro human resource management (HRM) research. Arthur (1994), for instance, distinguished between commitment and control HRM systems, where the goal of the latter was “to reduce direct labor costs, or improve efficiency, by enforcing employee *compliance* with specific rules and procedures and basing employee rewards on some measurable output criteria” (p. 672). As hypothesized, Arthur

(1994) found that steel mills with control HRM systems had significantly higher scrap rates and turnover than did steel mills with commitment HRM systems. Finally, perceiving goals as invariable may have a control effect similar to that of deadlines, performance evaluations, and surveillance. According to cognitive evaluation theory, deadlines (Amabile, DeJong, & Lepper, 1976), evaluations (Smith, 1975), and surveillance (Lepper & Greene, 1975) should be associated with lower levels of work performance due to the undermining of intrinsic motivation (Gagné & Deci, 2005). Accordingly, we hypothesize:

Hypothesis 1: There is a negative relationship between perceiving goals as invariable and work performance.

Job autonomy refers to the extent to which a job allows freedom, independence, and discretion to schedule work, make decisions, and choose the methods used to perform tasks (Morgeson & Humphrey, 2006). Convincing meta-analytic evidence suggests that perceived job autonomy is positively related to a range of beneficial outcomes such as both objective and subjective measures of work performance, responsibility, intrinsic motivation, and job involvement, and it is negatively related to detrimental outcomes such as stress and burnout/exhaustion (Humphrey et al., 2007).

Among the few studies that have investigated antecedents to perceived job autonomy, Gagné, Senecal, and Koestner (1997) reported that autonomy support as measured by the Job Diagnostic Survey (J.R. Hackman & Oldham, 1975) was strongly positively related to perceived job autonomy as measured by the Empowerment Scale (Spreitzer, 1992). Conceptually, both perceived job autonomy and perceiving goals as invariable refer to freedom, independence, and discretion at work, but they differ in several ways. First, perceiving goals as invariable is restricted to how specific and absolute the goals in the

performance management system are perceived, whereas perceived job autonomy is a more global concept that includes virtually all aspects of a job. Second, the referent for perceiving goals as invariable is the employee's belief about the extent to which s(he), that is the person him- or herself, can adjust the goal or has to stick to goal attainment, even when the latter is perceived to be less efficient. The referent for perceived autonomy, on the other hand, is the job, that is the extent to which the job allows freedom, independence, and discretion. Therefore, perceived job autonomy may have a number of antecedents, of which perceiving goals as invariable might represent one, but where others may be more powerful, such as managerial autonomy support (Gagné & Deci, 2005).

Perceiving goals as invariable should reduce work performance through its negative relationship with the more broad and general perception of job autonomy. First, perceiving goals as invariable should direct employees' attention and effort toward the attainment of specific goals, even when other behaviors are perceived to be more effective. This, in turn, should reduce the perceived discretion that the employees have in performing other aspects of their work, thereby reducing perceived job autonomy. Second, if employees believe that few alternatives to goal attainment are available even if they believe other factors are more important (e.g. situational factors or factors that are not associated with goals), this should reduce perceived job autonomy because employees think that they are not allowed to use their knowledge, skills, and proximity to the task to assist more superordinate organizational goals.

Furthermore, in support of such arguments, a recent study found that call centers with performance-enhancing practices had significantly higher quit and dismissal rates as well as significantly lower customer service than did organizations with high-involvement practices (Batt & Colvin, 2011). Performance-enhancing practices were operationalized by way of monitoring intensity and individual commission pay. Monitoring intensity referred to how

often core employees received statistics on performance, how often supervisors listened to their calls, and how often they got feedback on phone technique. Both Arthur (1994) and Batt and Colvin (2011) apply lack of discretion, control, or autonomy as explanatory factors and therefore provide examples of how HRM practices or systems can affect employee autonomy, even though neither set out to investigate performance management in general or to investigate employee discretion in making judgments about pre-set goals during a performance cycle, in particular. Therefore, we hypothesize:

Hypothesis 2: Perceived job autonomy mediates the negative relationship between perceiving goals as invariable and work performance.

Method

Sample and Procedure

We administered a Web-based survey to 4,341 employees from one municipality in Norway. To assure respondents of the confidentiality of their responses, we informed them that the Norwegian Social Science Data Services (NSD) had approved the survey and that their responses would be treated strictly confidentially. A total of 737 employees responded (response rate = 17 %). Although the response rate could be regarded as relatively low, the fact that the municipality was experiencing trouble with getting employees to regularly check their e-mails could partly explain the low response rate. The participants who voluntarily responded to the survey consented at the same time to having their supervisors rate their work performance. Accordingly, we distributed a second survey (by means of post-paid envelopes

to ensure a high response rate) to 59 supervisors² and asked them to rate their subordinates' work performance. A total of 40 (80 %) supervisors returned complete subordinate ratings of work performance, providing complete data for 154 employees. The majority of these (79.4 %) were female. About a third (34.4 %) of the respondents were between 50 years and 59 years of age, about a third were between 40 years and 49 years of age (30.5 %), and about one-fifth were between 30 years and 39 years of age (21.4 %). Only a minority of the respondents (28.4 %) had managerial responsibilities. The respondents were employed in municipal sectors including educational services (40.9 %), health services (30.5 %), administrative services (12.3 %), social services (10.4 %), and other services (5.9 %), and represented many different municipal functions including for instance caseworkers, secretaries, managers, educators, nurses, consultants, and social workers. We followed the recommendation of Armstrong and Overton (1977) and tested for non-response bias by comparing early and late respondents on a number of variables. The rationale for doing so is the assumption that late respondents respond in the same way as non-respondents. The results from the independent samples *t*-test indicated that early respondents scored slightly higher ($M = 4.25$, $SD = 0.76$) than late respondents ($M = 4.00$, $SD = 0.84$) on perceptions of job autonomy ($p < 0.05$), and slightly higher ($M = 4.13$, $SD = 0.99$) than late respondents ($M = 3.88$, $SD = 1.08$) on education ($p < 0.05$). These results might suggest that early respondents, to some extent, differ from the late respondents, which might be an indication of non-response bias. On the other hand, the mean differences were relatively small, and no significant mean difference was found with regard to perceiving goals as invariable ($p = 0.56$), work performance ($p = 0.57$), age ($p = 0.60$), gender ($p = 0.29$), tenure ($p = 0.43$), or managerial responsibility ($p = 0.27$).

² Out of the 737 respondents who participated, we were able to acquire a list of the 59 respective supervisors of 523 respondents from the municipality.

According to the strategy statement of the municipality it relies heavily on the use of goals and goal attainment among its employees as indicative of their work performance. Furthermore, representatives from the municipality informed us that specific goals are set with respect to the results each unit is expected to achieve. While these goals naturally vary since the municipality offer a wide range of services, they are nevertheless specific within each service area. The goals are set on an annual basis. The managers for each unit within the municipality are held accountable for goal attainment and for implementing the goals in their work units. The managers are evaluated on a regular basis through status meetings and conversations between managers and their superiors. In case goals are not met, representatives from the municipality informed us that the manager will be followed up more closely. At first, the municipality offers counselling and support, but if the manager is not willing or able to comply to the feedback provided they may risk being replaced. As such, we believe the municipality represents a relevant context for our study given the emphasis on goals and goal attainment across a wide range of different jobs and functions.

Measures

All of the items were scored on a five-point Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Perceiving goals as invariable

The scale for measuring the perception of goals as invariable was developed for this study. Based on the construct definition, we developed nine initial items (Hinkin, 1998). Next, we tested the measurement model via a pilot study with 244 employees from a Norwegian consumer electronics retail chain. These employees completed a Web-based survey that included the items. To assess the extent to which the items reflected the construct that they were designed to measure, we performed a confirmatory factor analysis (CFA) using the

weighted least squares (WLSMV) estimator of the Mplus software (Muthén, du Toit, & Spisic, 1997). Given the nested nature of the data (some followers report to the same supervisor), the CFA was conducted using cluster robust standard errors at the leader level. This initial CFA model provided an unsatisfactory fit with the data ($\chi^2 [27] = 107.80, p < 0.01$; RMSEA = 0.11 (90 % CI: 0.09 - 0.14); CFI = 0.92; TLI = 0.89; SRMR = 0.04). To ensure the adequacy of the measurement model, we deleted four items with low factor loadings and/or low inter-item correlations (Hinkin, 1998). The resulting trimmed model (five items) demonstrated an excellent fit with the data ($\chi^2 [5] = 10.17, p = 0.07$; RMSEA = 0.07 (90 % CI: 0.00 - 0.12); CFI = 0.99; TLI = .98; SRMR = 0.02) as well as high internal consistency (Cronbach's Alpha = .93). The items and corresponding factor loadings are presented in Appendix A.

Perceived job autonomy

We measured perceived job autonomy ($\alpha = .95$) by means of the nine-item scale from Morgeson and Humphrey (2006). Sample items include: "The job gives me a chance to use my personal initiative or judgment in carrying out the work," and "The job allows me to make a lot of decisions on my own."

Work performance

Supervisor ratings of work performance ($\alpha = .96$) were obtained by asking supervisors to fill out a 10-item scale that Dysvik and Kuvaas (2011) used, including items such as "He/she intentionally expends a great deal of effort in carrying out his/hers job," and "The quality of his/her work is top-notch."

Control variables

To rule them out as alternative explanations of the results, we controlled for potential socio-demographic differences including age, gender (1 = male; 2 = female), and education

(measured on an ordinal scale from 1 = lower and upper secondary school to 5 = graduate studies). In addition, we controlled for tenure and managerial responsibility (1 = no managerial responsibility; 2 = managerial responsibility) because of their potential relationships with work performance. In addition, based on the control of resources theory (Hobfoll, 2002), tenure, education, and hierarchical status can decrease perceived invariable goals and increase perceived job autonomy, as more tenured and highly educated employees as well as employees with managerial responsibility may expect and feel entitled to more discretion in their work.

Analyses

Conceptually, both perceived job autonomy and perceiving goals as invariable refer to freedom, independence, and discretion at work. They do, however, differ in that perceiving goals as invariable is restricted to how specific and absolute the goals in the performance management system are perceived, whereas perceived job autonomy is a much more global concept that includes virtually all aspects of a job. Measuring constructs that are conceptually close to each other represents a challenge with respect to item contamination and thus a potential threat to discriminant validity. To remedy this potential shortcoming, we performed an exploratory factor analysis (EFA) using the complete responses of the 737 individuals who completed the main survey. The use of EFA is recommended for the purposes of ensuring discriminant validity (Hurley et al., 1997) because it shows how well the items load on the non-hypothesized factors (Kelloway, 1995). The EFA produced a single factor, *a priori* dimension of perceiving goals as invariable, and a single dimension of perceived job autonomy. The analysis did not reveal any factor loadings below .50 (Nunnally & Bernstein, 1994), cross-loadings above .35 (Kiffin-Petersen & Cordery, 2003), or differentials above .20 between the included factors (Van Dyne, Graham, & Dienesch, 1994). Accordingly, the EFA

cross-validated the factor structure of the perceiving goals as invariable measure, and provided further support for the convergent and discriminant validity of the scale (Hurley et al., 1997).

To test whether the full measurement model conformed to the *a priori* hypothesized data structure (Hurley et al., 1997) for the 154 complete responses including supervisory rated performance, we performed a CFA using the WLSMV estimator of Mplus (Muthén et al., 1997) with the use of cluster robust standard errors at the supervisor level (because some employees reported to the same supervisor). In addition, we performed a series of CFAs to further evaluate and ensure discriminant validity (Farrell, 2010). To confirm that the variables are at the individual-level, we used hierarchical linear modeling (HLM). Finally, to test our hypotheses, we performed a structural equation modelling (SEM) analysis with the use of the delta method procedure in Mplus (using the Sobel test with cluster robust standard errors). The SEM approach is preferable to the causal steps approach of Baron and Kenny (1986) because it estimates everything at the same time rather than assuming independent equations (e.g. Zhao, Lynch, & Chen, 2010). Moreover, the causal steps approach does not provide a quantification of the indirect effect itself and has been shown to be among the lowest in power (Fritz & MacKinnon, 2007).

Results

The results of a three-factor measurement model specifying separate factors for perceiving goals as invariable, perceived job autonomy, and work performance provided a good fit with the data ($\chi^2 [249] = 402.95, p < 0.01$; RMSEA = 0.07 (90 % CI: 0.05 - 0.08); CFI = 0.98; TLI = 0.98). All factor loadings were statistically significant, with a mean standardized loading of .85, thus supporting the scales' convergent validity (Anderson & Gerbing, 1988). Furthermore, the hypothesized measurement model provided a significantly better fit over alternative models, where the items used to measure perceiving goals as invariable and

perceived job autonomy were set to load on a single factor ($\Delta\chi^2_{[2]} = 294.54, p < 0.01$); where the items used to measure perceiving goals as invariable and work performance were set to load on a single factor ($\Delta\chi^2_{[2]} = 450.58, p < 0.01$); and where items used to measure perceived job autonomy and work performance were set to load on a single factor ($\Delta\chi^2_{[2]} = 688.15, p < 0.01$). Finally, concerns could also be raised with regard to the distinctiveness of the items reflecting perceptions of goals as invariable and the items reflecting decision-making autonomy in particular. Therefore, we performed supplemental analyses including only the perceiving goals as invariable and decision-making autonomy items. The results of these CFAs demonstrated that the model in which the perceiving goals as invariable and decision-making items were set to load separate factors provided a significantly better fit over a one-factor solution where all the items were set to load on a single factor ($\Delta\chi^2_{[1]} = 226.39, p < 0.01$). Accordingly, the discriminant validity of the constructs is supported. We report descriptive statistics, correlations, and reliability estimates in Table I.

 Insert Table I about here

Preceding the hypotheses testing, we estimated fully unconditional models (null models) to see whether a significant proportion of the variability in the dependent variables (perceived job autonomy and work performance) could be accounted for by the fact that the employees are nested within different supervisors. The results of these null models did not reveal any statistically significant between-supervisor variance in the employee ratings of perceived job autonomy ($\tau_{00} = .06, n.s.$) or in the supervisor ratings of work performance ($\tau_{00} = .04, n.s.$). In addition, the intra-class correlation coefficients (ICCs) of perceived job autonomy (ICC1 = .08) and work performance (ICC1 = .07) were relatively small in size, suggesting that no

more than 8 % of the variance in perceived job autonomy and 7 % of the variance in work performance could be attributed to between-supervisor variability. Accordingly, the results indicated that the data were relatively independent and were at the individual level.

 Insert Table II about here

Hypothesis 1 stated that there exists a negative relationship between perceiving goals as invariable and work performance. The results of the structural equation model ($\chi^2 [159] = 243.31, p < 0.01$; RMSEA = 0.06 (90 % CI: 0.045 - 0.076); CFI = 0.98; TLI = 0.97.) presented in Table II show a negative relationship between perceiving goals as invariable and work performance ($\gamma = -.23, p < .01$). Accordingly, we received support for Hypothesis 1. Hypothesis 2 contended that perceived job autonomy mediates the negative relationship between perceiving goals as invariable and work performance. In support of Hypothesis 2, the results of the structural equation model presented in Table III and in Figure 1 demonstrate that perceiving goals as invariable negatively relates to work performance indirectly via perceived job autonomy (standardized effect = $-.11, p < .01$). Specifically, since the direct relationship was not statistically significant ($-.11, n.s.$) when perceived job autonomy was entered into the model, the mediation is classified as indirect-only mediation (Zhao et al., 2010), suggesting that perceived job autonomy, from a statistical point of view, fully mediates the relationship between perceiving goals as invariable and work performance. As for control variables, we note that education significantly relates to perceived job autonomy ($\gamma = .36, p < .001$) and work performance ($\gamma = .22, p < .05$).

 Insert Figure I about here

Insert Table III about here

Discussion

The purpose of the current study was to investigate whether there is a negative relationship between perceiving goals as invariable and work performance, and if so, whether perceived job autonomy mediates this relationship. To our knowledge, our study is the first to empirically investigate the perception of goals as invariable, or other constructs, based on the idea that employees may perceive the goals in a performance management system as absolute standards that they must meet without exception, even if they think other factors are more important (e.g. situational factors or factors that are not associated with goals). Our study contributes to performance management research and practice by showing that such a perception may decrease perceived job autonomy and, in turn, work performance. Although it may appear obvious that perceiving goals in a performance management system as invariable is not productive or “smart,” the mean score of 2.43 suggests that this a practically relevant challenge associated with performance management, at least among the employees in the organization we investigated.

In line with previous calls for research (e.g. DeNisi & Pritchard, 2006; Gruman & Saks, 2011; Pulakos & O’Leary, 2011) our study contributes to performance management research and practice by investigating the role of job design (i.e. perceived job autonomy) in performance management. Perceived job autonomy is a potent predictor of employee outcomes (Humphrey et al., 2007), and the possibility that the perception of an aspect of performance management may impede work performance through reduced perceived job autonomy is therefore both theoretically and practically relevant..

Implications for Theory and Practice

Lately, a heated debate has taken place over goals that may go wild and over the side effects of overprescribing goals (Latham & Locke, 2009; Locke & Latham, 2009; Ordóñez, Schweitzer, Galinsky, & Bazerman, 2009a, 2009b). According to goal setting theory, hard and specific goals, often operationalized as quantitative ones, are the most motivating and productive (Locke & Latham, 1990). At the same time, such goals may be perceived as more invariable than other goals, exactly because of their specific or quantitative nature (Murphy, 2008). Therefore, effective utilization of goal setting theory may require shorter performance cycles or continuous goal setting to reduce the probability that goals are viewed as obsolete, redundant, or wrong. This is similar to the prescription that Latham et al. (2005) provided — that the supervisor should act as a performance coach rather than a performance appraiser and that performance management should be a cyclical year-round process. We are not arguing that hard and specific goals should be avoided, but that such goals probably require more continuous attention with respect to their validity than more superordinate goals do.

Much is written about the deficiencies of quantitative or objective goals or performance indicators, but perhaps the most important critique is that such measures almost always exhibit criterion deficiency (Murphy, 2008). That is, most employees have jobs that contain performance-relevant aspects that quantitative or objective measures cannot effectively or easily measure. Thus, if a specific goal needs to be objective or quantitative, the application of goal setting theory in performance management should perhaps be restricted to jobs in which such goals are relatively good and stable indicators of performance – or where performance management is organized as a cyclical process.

Finally and as previously mentioned, organizations and their supervisors could clearly communicate that they trust their employees to use their knowledge, skills, abilities, and proximity to the task to make discrete judgments during the performance cycle when goals are

believed to be obsolete, redundant, or wrong. Such a strategy has strong empirical support from meta-analyses of job-design (Humphrey et al., 2007), work engagement (Christian et al., 2011), and psychological empowerment (Seibert et al., 2011).

Limitations and Research Opportunities

Our study's two most serious limitations are the cross-sectional research design and the limited generalizability of the findings. Therefore, longitudinal research in different research contexts is warranted. With respect to causality, we cannot rule out the possibility that perceived job autonomy negatively predicts perceiving goals as invariable. From a practical viewpoint, however, it should be easier to minimize the perception of goals as invariable by communicating clearly that a lack of goal attainment is accepted when accompanied by good reasons and explanations, compared to increasing the more global perception of job autonomy. We did however, test this alternate relationship, and even though the data suggests a negative relationship between perceived job autonomy and perceiving goals as invariable ($\gamma = -.44, p < .01$), the results suggest that perceived job autonomy does not indirectly relate to work performance via perceiving goals as invariable (standardized effect = .05, *n.s.*). Still, and from a theoretical viewpoint, perceived invariable goals should be manipulated in experimental research in order to explore more critically the core constructs' causal order. With respect to a potential sample bias, we were only able to collect supervisory ratings of performance from 154 individuals (4%), which may limit the validity of the findings. In an attempt to remedy this shortcoming, we performed supplemental analyses using the self-reported performance ratings of all the 737 individuals who participated in the main survey (17% of the initial sample). The results of these analyses did not differ substantially from our initial results, thereby further supporting the hypotheses. We also have to admit that we

struggled when trying to label our independent variable and that labels other than that of perceiving goals as invariable may better capture the construct.

Another potentially fruitful avenue for future research would be to investigate antecedents to perceiving goals as invariable. Beyond the intentions that the performance management system itself communicates, the immediate supervisor will probably play a key role in this. Recent empirical evidence suggests that the relational qualities (e.g. perceived supervisor support) of the immediate supervisor (Dysvik & Kuvaas, 2012; Gilbert, De Winne, & Sels, 2011; Kuvaas & Dysvik, 2010; Purcell & Hutchinson, 2007) strongly influence employees' perceptions of human resource (HR) practices. Accordingly, perceived supervisor support, leader-member exchange, and other perceived relational qualities could also be instrumental in shaping employee perceptions of goals as invariable.

Even though our statistical analyses supported full mediation, we are not in a position to exclude other potential mediators than perceived job autonomy in the relationship between perceiving goals as invariable and work performance. Future research could therefore investigate role conflict or role ambiguity or other work perceptions that may arise from discrepancies between what one thinks is the right thing to do and what one perceives is dictated from the goals in the performance management system.

References

- Aguinis, H., Joo, H., & Gottfredson, R. K. (2011). Why we hate performance management—
—And why we should love it. *Business Horizons*, *54*, 503-507.
- Amabile, T. M., DeJong, W., & Lepper, M. R. (1976). Effects of externally imposed
deadlines on subsequent intrinsic motivation. *Journal of Personality and Social
Psychology*, *34*, 92-98.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice - a review
and recommended 2-step approach. *Psychological Bulletin*, *103*(3), 411-423.
- Armstrong, J. S., & Overton, T. S. (1977). Estimating nonresponse bias in mail surveys.
Journal of Marketing Research, *14*(3), 396-402.
- Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and
turnover. *Academy of Management Journal*, *37*(3), 670-687.
- Baron, R., & Kenny, D. (1986). The moderator-mediator variable distinction in social
psychological research: Conceptual, strategic, and statistical considerations. *Journal of
Personality and Social Psychology*, *51*(6), 1173-1182.
- Batt, R., & Colvin, A. J. S. (2011). An employment systems approach to turnover: Human
resource practices, quits, dismissals, and performance. *Academy of Management
Journal*, *54*(4), 695-717.
- Christian, M. S., Garza, A. S., & Slaughter, J. E. (2011). Work engagement: A quantitative
review and test of its relations with task and contextual performance. *Personnel
Psychology*, *64*, 89-136.
- DeNisi, A.S., & Pritchard, R.D. (2006). Performance appraisal, performance management and
improving individual performance: A motivational framework. *Management and
Organization Review*, *2*(2), 253-277.

- Dysvik, A., & Kuvaas, B. (2011). Intrinsic motivation as a moderator on the relationship between perceived job autonomy and work performance. *European Journal of Work and Organizational Psychology, 20*(3), 367-387.
- Dysvik, A., & Kuvaas, B. (2012). Perceived supervisor support climate, perceived investment in employee development climate, and business unit performance. *Human Resource Management, 51*(5), 651–664.
- Farrell, A. M. (2010). Insufficient discriminant validity: A comment on Bove, Pervan, Beatty, and Shiu (2009) *Journal of Business Research, 63*, 324-327.
- Fritz, M. S., & MacKinnon, D. P. (2007). Required sample size to detect the mediated effect. *Psychological Science, 18*, 233-239.
- Gagné, M., & Deci, E. L. (2005). Self-determination theory and work motivation. *Journal of Organizational Behavior, 26*, 331-362.
- Gagné, M., Senecal, C.B., & Koestner, R. (1997). Proximal job characteristics, feelings of empowerment, and intrinsic motivation: A multidimensional model. *Journal of Applied Social Psychology, 27*, 1222-1240.
- Gilbert, C., De Winne, S., & Sels, L. (2011). The influence of line managers and HR department on employees' affective commitment. *International Journal of Human Resource Management, 22*(8), 1618-1637. doi: 10.1080/09585192.2011.565646
- Gruman, J. A., & Saks, A. M. (2011). Performance management and employee engagement. *Human Resource Management Review, 21*(2), 123-136. doi: 10.1016/j.hrmr.2010.09.004
- Hackman, J. R., & Oldham, G. R. (1976). Motivation through the design of work: Test of a theory. *Organizational Behavior and Human Performance, 16*, 250-279.
- Hackman, J.R., & Oldham, G.R. (1975). Development of the job diagnostic survey. *Journal of Applied Psychology, 60*(2), 159-170.

- Hinkin, T. R. (1998). A brief tutorial on the development of measures for use in survey questionnaires. *Organizational Research Methods, 1*(1), 104-121. doi: 10.1177/109442819800100106
- Hobfoll, S. E. (2002). Social and psychological resources and adaptation. *Review of General Psychology, 6*(4), 307-324. doi: 10.1037//1089-2680.6.4.307
- Humphrey, S. E., Nahrgang, J. D., & Morgeson, F. P. (2007). Integrating motivational, social and contextual work design features: A meta-analytic summary and theoretical extension of the work design literature. *Journal of Applied Psychology, 92*(5), 1332-1356.
- Hurley, A. E., Scandura, T. A., Schriesheim, C. A., Brannick, M. T., Seers, A., Vandenberg, R. J., & Williams, L. J. (1997). Exploratory and confirmatory factor analysis: Guidelines, issues, and alternatives. *Journal of Organizational Behavior, 18*, 667-683.
- Kelloway, E. K. (1995). Structural equation modeling in perspective. *Journal of Organizational Behavior, 16*, 215-224.
- Kiffin-Petersen, S., & Cordery, J.L. (2003). Trust, individualism and job characteristics as predictors of employee preference for teamwork. *International Journal Human Resource Management, 14*(1), 93-116.
- Kuvaas, B., & Dysvik, A. (2010). Exploring alternative relationships between perceived investment in employee development, perceived supervisor support and employee outcomes. *Human Resource Management Journal, 2*(20), 138-156.
- Latham, G. P., Almost, J., Mann, S., & Moore, C. (2005). New developments in performance management. *Organizational Dynamics, 34*(1), 77-87.
- Latham, G. P., & Locke, E. A. (2009). Science and ethics: What should count as evidence against the use of goal setting? *Academy of Management Perspective, 23*(3), 88-91.

- Lepper, M. R., & Greene, D. (1975). Turning play into work: effects of adult surveillance and extrinsic rewards on children's intrinsic motivation. *Journal of Personality and Social Psychology, 31*, 479–486.
- Locke, E. A., & Latham, G. P. (1990). *A theory of goal setting and task performance*. Englewood Cliffs, NJ: Prentice-Hall.
- Locke, E. A., & Latham, G. P. (2009). Has goal setting gone wild, or have its attackers abandoned good scholarship. *Academy of Management Perspective, 23*(1), 88-91.
- Morgeson, F.P., & Humphrey, S.E. (2006). The work design questionnaire (WDQ): Developing and validating a comprehensive measure for assessing job design and the nature of work. *Journal of Applied Psychology, 91*(6), 1321-1339.
- Murphy, K. R. (2008). Explaining the weak relationship between job performance and ratings of job performance. *Industrial and Organizational Psychology, 1*, 148-160.
- Muthén, B. O., du Toit, S. H. C., & Spisic, D. . (1997). Robust inference using weighted least squares and quadratic estimating equations in latent variable modeling with categorical and continuous outcomes. *Conditionally accepted for publication in Psychometrika*.
- Nunnally, J.C., & Bernstein, I.H. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.
- Ordóñez, L.D., Schweitzer, M.E., Galinsky, A.D., & Bazerman, M. (2009a). Goals gone wild: The systematic side effects of overprescribing goal setting. *Academy of Management Perspective, 23*(1), 6-16.
- Ordóñez, L.D., Schweitzer, M.E., Galinsky, A.D., & Bazerman, M. (2009b). On good scholarship, goal setting, and scholars gone wild. *Academy of Management Perspective, 23*(3), 82-87.

- Parker, S. K., Bindl, U. K., & Strauss, K. (2010). Making Things Happen: A Model of Proactive Motivation. *Journal of Management*, 36(4), 827-856. doi: 10.1177/0149206310363732
- Pulakos, E.D., & O'Leary, R.S. (2011). Why is performance management broken? *Industrial and Organizational Psychology: Perspectives on Science and Practice*, 4(2), 146-164.
- Purcell, J., & Hutchinson, S. (2007). Front-line managers as agents in the HRM-performance causal chain: Theory, analysis and evidence. *Human Resource Management Journal*, 17(1), 3-20.
- Seibert, S. E., Wang, G., & Courtright, S. H. (2011). Antecedents and consequences of psychological and team empowerment in Organizations: A meta-analytic review. *Journal of Applied Psychology*, 96(5), 981-1003. doi: 10.1037/a0022676
- Smith, W. E. . (1975). *The effect of anticipated vs. unanticipated social reward on subsequent intrinsic motivation*. Unpublished dissertation, Cornell University.
- Spreitzer, G. M. (1992). *When organizations dare: The dynamics of individual empowerment in the workplace*. University of Michigan. Unpublished doctoral dissertation.
- Van Dyne, L., Graham, J.W., & Dienesch, R.M. (1994). Organizational citizenship behavior: Construct redefinition, measurement, and validation. *Academy of Management Journal*, 37(4), 765-802.
- Zhao, X., Lynch, J. G., & Chen, Q. (2010). Reconsidering Baron and Kenny: Myths and truths about mediation analysis. *Journal of Consumer Research*, 37, 197-206.

APPENDIX: Confirmatory Factor Analysis

	Perceived invariable goals
I find the goals/key performance indicators specific and absolute;	
PGI1: and that failure to achieve them is not accepted even if I have good reasons for it	<u>.76</u>
PGI2: and that I cannot choose to give priority to other matters, even if the situation demands it	<u>.85</u>
PGI3: and that I do not have the freedom to improvise and to do things differently than the targets/scorecard indicate, even if I believe it is necessary	<u>.83</u>
PGI4: and that they give little room to focus on other important aspects of the job than what is measured	<u>.90</u>
PGI5: and that the targets often impede the flexibility I need in order to be able to do my job in the best possible way	<u>.81</u>

Note: $N = 244$. Standardized factor loadings are shown. PGI = Perceived Goals as Invariable. All estimates are significant at $p < .01$. The CFA was estimated with the use of the weighted least squares (WLSMV) estimator using cluster robust standard errors. $\chi^2 [5] = 10.17$, $p = 0.07$; RMSEA = 0.07 (90 % CI: 0.00 - 0.12); CFI = 0.99; TLI = .98; SRMR = 0.02.

TABLE I: Descriptive Statistics, Correlations, and Scale Reliabilities

	Mean	SD	1	2	3	4	5	6	7
1. Age	3.23	1.06							
2. Gender ^a	1.80	0.40	.02						
3. Education ^b	4.01	1.01	-.17*	-.06					
4. Tenure	3.58	1.80	.61**	.09	-.13				
5. Managerial responsibility ^c	1.28	0.45	-.10	-.01	.19*	.08			
6. Perceived invariable goals	2.43	0.90	-.08	-.01	-.14	-.16*	-.05	(.89)	
7. Perceived job autonomy	4.09	0.84	.05	.02	.34**	.12	.10	-.45**	(.95)
8. Work performance	4.08	0.76	.01	.08	.27**	.06	.22**	-.15	.30** (.96)

Note. $N = 154$.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

^a 1 = male; 2 = female

^b 1 = lower and upper secondary school to 5 = graduate studies

^c 1 = no managerial responsibility; 2 = managerial responsibility

TABLE II: Structural Equation Model testing Hypothesis 1

	Work performance
	Direct
<i>Control variables</i>	
Age	-.01
Gender ^a	.00
Education ^b	.31**
Tenure	.14
Managerial responsibility ^c	.10
<i>Independent variable</i>	
Perceived invariable goals	-.23**
R ²	.18

Note, $N = 154$. We report standardized path coefficients. The structural equation model was estimated with the use of the weighted least squares (WLSMV) estimator. $\chi^2 [159] = 243.31$, $p < 0.01$; RMSEA = 0.06 (90 % CI: 0.045 - 0.076); CFI = 0.98; TLI = 0.97.

* $p < .05$.

** $p < .01$.

*** $p < .001$.

^a 1 = male; 2 = female

^b 1 = lower and upper secondary school to 5 = graduate studies

^c 1 = no managerial responsibility; 2 = managerial responsibility

TABLE III: Structural Equation Model testing Hypothesis 2

	Perceived	Work	
	Job	Performance	
	Autonomy		
	Direct	Direct	Indirect
<i>Control variables</i>			
Age	-.09	.02	
Gender ^a	-.05	.01	
Education ^b	.36***	.22*	
Tenure	.21	.08	
Managerial responsibility ^c	-.11	.13	
<i>Independent variable</i>			
Perceived invariable goals	-.42***	-.11	-.11**
<i>Mediator</i>			
Perceived job autonomy		.26**	
R ²	.33	.22	

Note, $N = 154$. We report standardized path coefficients and a standardized indirect effect. The structural equation model was estimated with the use of the weighted least squares (WLSMV) estimator. To test the indirect effect, we used the delta method procedure in MPlus using the Sobel test with cluster robust standard errors. $\chi^2 [388] = 527.88, p < 0.01$; RMSEA = 0.05 (90 % CI: 0.04 - 0.06); CFI = 0.98; TLI = 0.97.

* $p < .05$.

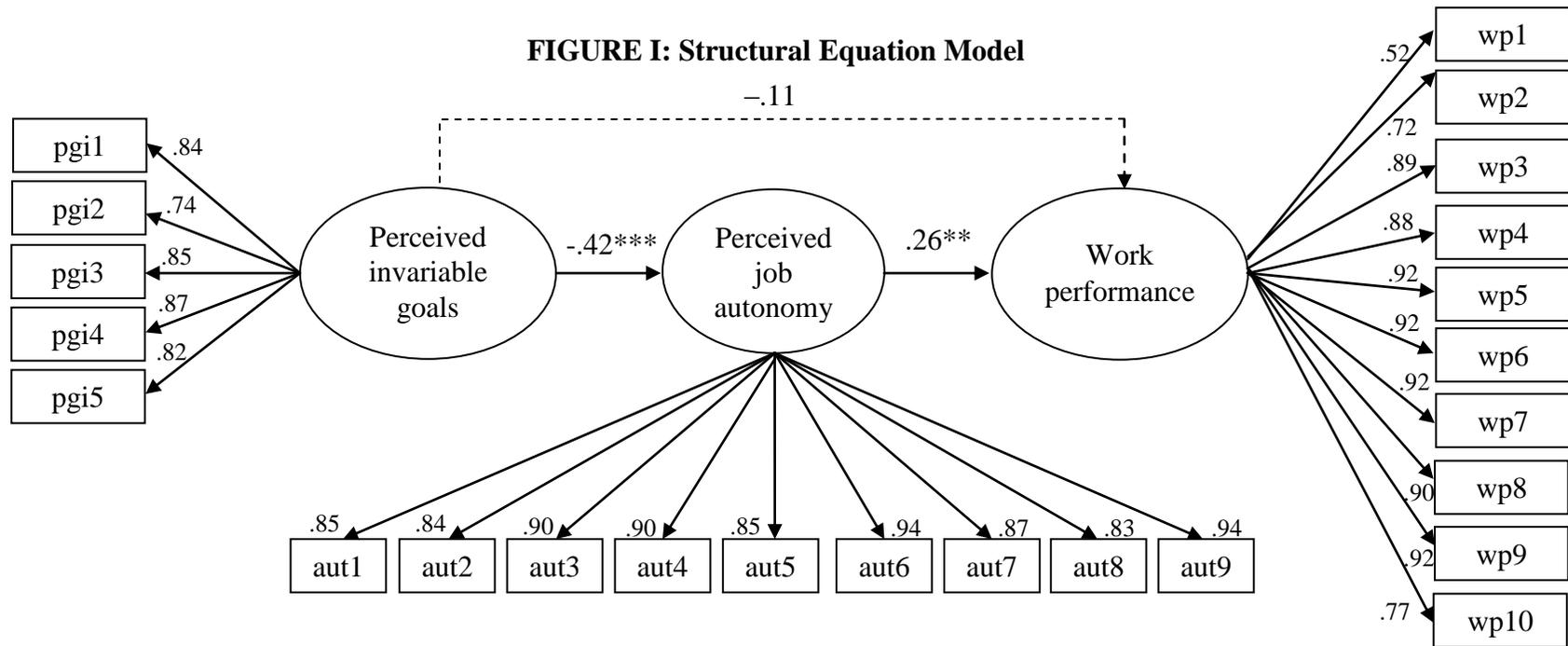
** $p < .01$.

*** $p < .001$.

^a 1 = male; 2 = female

^b 1 = lower and upper secondary school to 5 = graduate studies

^c 1 = no managerial responsibility; 2 = managerial responsibility



Note. $N = 154$. We report standardized path coefficients. $\chi^2 [388] = 527.88, p < 0.01$; RMSEA = 0.05 (90 % CI: 0.04 - 0.06); CFI = 0.98; TLI = 0.97. PGI = Perceived Goals as Invariable. The structural equation model was estimated with the use of the weighted least squares (WLSMV) estimator. To test the indirect relationship, we used the delta method procedure in MPlus using the Sobel test with cluster robust standard errors. The indirect relationship from perceived invariable goals via job autonomy was statistically significant (standardized effect = $-.11, p < .01$). To simplify the graphical presentation, the additional path coefficients between the control variables and outcomes are reported in Table 2.