

THE INFLUENCE OF GOAL ATTAINMENT LEVEL  
AND EMPOWERMENT ON MOTIVATION AND  
WORK EFFORT INTENSITY OF MIDDLE  
MANAGERS

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INTENSITY OF MIDDLE MANAGERS

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**Abstract:** A common challenge senior leaders face is how to keep their employees motivated. A tool often used to address this issue is a variable compensation program. Although historically this type of compensation was used primarily for executives and sales employees, it is now routinely used for all management levels, including middle managers (MM). This group of managers are critical to the organization's success by ensuring that the tactical performance of the mid to low-level employees supports the corporate strategic financial goals. The MMs variable compensation is often tied to a corporate strategic financial goal. This study explores the relationship between the level of goal attainment for the corporate strategic financial goal and the MM's resulting motivation and work effort intensity. I propose an inverted-U influence of goal attainment on MM's work motivation, such that when goals are out of reach, motivation is low, when goals can still be attained, motivation is higher, and when goals have already been attained, motivation decreases. The influence of goal attainment level on work motivation is moderated, however, by the degree to which MMs are empowered to enact tactical changes in their work processes. As empowerment increases, the influence of goal attainment on work motivation decreases, in effect flattening the curvilinear influence of goal attainment level. The primary managerial contribution of this research is that organizations will recognize that knowledge of goal attainment level matters, but its effect on motivation is not linear. Understanding this will help mitigate the potential negative impact on the MM's motivation level and work intensity, particularly if they do not feel empowered to adjust their activities to achieve the goal.

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## CHAPTER I

### INTRODUCTION

Imagine a scenario in which you are a middle manager with variable compensation tied to a strategic financial goal. Your organization's senior leaders established this goal, and your responsibility is to ensure your team's primary focus is on activities related to achieving the company's goal. Being a diligent manager, you do everything you can to make the goal a reality. However, you have just been told that there is no chance of the goal being attained (i.e., no chance for additional compensation), or conversely, you are informed that the goal has been exceeded (i.e., additional compensation is already assured). Does your work motivation and work effort level change for either of these results?

It is common for mid-level managers to have variable compensation tied to their organization, team, and/or personal performance (Anderson, Dekker, & Sedatole, 2010; Johnson, Friend, & Agrawal, 2016; Nagar, 2002; Stiffler, 2006). Surprisingly, little published research directly addresses the influence of goal attainment on work motivation and work intensity, specifically among middle managers (MM). These managers fill a critical role in organizations. They are responsible for carrying out the strategic goals of upper management by managing the tactical performance of mid/low-level employees



(Antoni, 2005; Aricioğlu, Gökce, & Gülnar, 2020; Fenton-O’Creevy, 1998; Floyd & Wooldridge, 1997). According to Hassan (2011), middle managers can comprise 60% of an organization’s management ranks and directly supervise around 80% of the organization’s total workforce. Because they are a unique group of employees, as both subordinates and managers, keeping them motivated and compensated is often challenging for organizational leaders.

A standard tool often used by organizations to motivate middle managers is variable compensation tied to performance outcomes. This type of compensation was initially used as an incentive to enhance employee performance at the executive and salesforce levels; however, organizations have shifted to use it throughout all management levels (Atkinson, 1998; Nagar, 2002). When variable compensation is used for middle managers, it is often comprised of one or more types of goals: (1) individual goals, (2) team goals, and (3) corporate strategic goals. For example, in 2004, McDonalds implemented a cash incentive program, later renamed a target incentive program (TIP; McDonalds Corporation June 30, 2004, 10-Q Form)<sup>1</sup>. This plan is based on corporate performance goals established by senior leaders, the individual’s goals, or the established goals of the specific business unit.

For individuals to make meaningful progress toward accomplishing goals, they must know how they are performing toward those goals. Knowledge of performance-to-goal (hereafter, goal attainment level) has an important influence on work behavior and

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<sup>1</sup> Retrieved from <https://d1lge852tjjqow.cloudfront.net/CIK-0000063908/130e0880-22d8-4427-95c4-8a9d215d0f33.pdf>.

performance levels; without knowledge of the current goal attainment level, individuals cannot adjust their work behavior (Kim & Hamner, 1976; Podsakoff & Farh, 1989).

Accordingly, in this dissertation, I argue that goal attainment level has important effects on MMs work motivation and, ultimately, work effort. The influence of goal attainment level (e.g., well below target; target is within reach; well above target) on work motivation is not uniform, however. As the goal attainment level increases from well below target to the point that the goal has been achieved, the influence of goal attainment on work motivation is positive. If the goal has already been reached, however, increasing levels of goal attainment may be demotivating for the MMs (e.g., the performance bonus is secured, and less effort is required) (Ilies & Judge, 2005).<sup>2</sup>

If MMs are responsible for attaining a goal but are not empowered to make needed changes to work activities to accomplish the goal, their commitment may suffer (Anderson et al., 2010; Presslee, Vance, & Webb, 2013). Thus, I argue for a moderating effect of MMs empowerment on the influence of goal attainment level on work motivation. When empowerment is high, MMs have the ability to change work processes or employee assignments to improve the trajectory of performance-to-goal results. As a result, the influence of current goal attainment on work motivation is less pronounced, in particular, once the goal has been achieved (i.e., MMs who are more committed to their work as a result of higher levels of empowerment will experience less drop-off in work motivation after the goal has been attained compared with less-committed MMs). This suggests that it may be

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<sup>2</sup> One potential solution to the problem of demotivation as a result of achieving goals earlier than expected is to uncap potential performance incentive payments; i.e., have no upper limit on the amount of bonus that can be achieved based on individual, team, or corporate performance. This approach is sometimes used at the individual performance level (e.g., salespeople), but may be less commonly implemented for team- or corporate-level goals.

possible to mitigate rising demotivation after a goal is reached through a readily available management strategy: provide greater empowerment to MMs.

My research builds on goal attainment literature (Higgins, Shah, & Friedman, 1997; Ilies & Judge, 2005) by examining the influence of goal attainment level for company goals specifically associated with middle managers' variable compensation. This research contributes theoretically to the work of Ilies and Judge (2005), who found that feedback attainment level predicted goal regulation in studies with student samples. In this study, I hold the goal constant and manipulate feedback (goal attainment) to determine if the level of goal attainment predicts motivation, and ultimately, work effort levels. Thus, I predict that MMs empowerment will weaken the influence of goal attainment on their work motivation.

This study was conducted in two stages. In the first stage, I used an experimental vignette methodology (EVM) (i.e., policy capturing design) that manipulated the goal attainment level (below/at target/exceed) and the level of empowerment (low/high) of the middle manager. In both studies, I focused specifically on middle managers in organizations. In Study 1, online panel participants (contacted via Prolific) were presented with two randomly selected hypothetical scenarios regarding goal attainment level and empowerment. They were asked to respond to survey questions related to their motivation, work level intensity, and empowerment as if they were the manager in the scenario. The second data collection stage was a measured variable study conducted among middle managers who currently or had previously held a management position with a variable compensation plan. Study 2 was conducted through an online survey system (Qualtrics), and participants were recruited via Prolific. In this study, participants were asked questions about their current

organization's variable compensation plan, level of felt empowerment, goal attainment level, motivation, and work effort.

I aimed to expand on current research regarding goal attainment, empowerment, motivation, and work effort levels. Goal attainment level matters when it is related to a goal that is held constant and cannot be disregarded, which is often the case in a middle manager's variable compensation plan. Testing these ideas in a sample of experienced middle managers lends credibility to the findings that while knowledge of the level of goal attainment on the surface may seem ideal for a company's culture, there is a downside that must also be considered. Chapter II presents a review of the literature and hypotheses development.

## CHAPTER II

### LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

#### **Theoretical Development**

The theoretical foundation for this research is based on Vroom's (1964) expectancy theory. At its core, expectancy theory is based on intuitive psychology: individuals will be motivated if they can attain a desirable reward (Parijat & Bagga, 2014). Vroom believed that individuals will put forth effort toward a goal if they believe there is a benefit to their effort. This effort will lead to performance which will, in turn, lead to a desirable outcome (Kanfer, Frese, & Johnson, 2017; Kominis & Emmanuel, 2007; Lawler III & Suttle, 1973). While expectancy theory is a mature process theory of motivation, researchers continue to use it across organizational behavior research domains such as leadership (Isaac, Zerbe, & Pitt, 2001), employee compensation (Jenkins Jr., Mitra, Gupta, & Shaw, 1998), employee productivity (Van Eerde & Thierry, 1996), and job burnout (Ayala-Calvo & Garcia, 2018; Prentice & Thaichon, 2019). This current study specifically focuses on the reward factor of a goal and the resulting motivation and work effort of middle managers. This theory is an excellent fit for the theoretical basis of this study.

Vroom's expectancy theory consists of three primary constructs: valence,

instrumentality, and expectancy (VIE). “[T]he belief that an act (trying to perform well) will lead to an outcome (performing well) is an *expectancy*; the relationship between an outcome (performing well) and another outcome (a reward such as pay) is an *instrumentality* that affects the *valence* of the original outcome” (Lawler III, 1973, p. 59). Vroom determined that these constructs resulted in a multiplicative model ( $E \times V$ ) to determine motivation or force where one of both must be present to result in motivation (Ambrose & Kulik, 1999; Lawler III, 1973). For example, if a middle manager wants to perform well for their organization but does not believe their efforts will result in high performance, they will have low to no motivation to perform well (Lawler, 1973, p. 58).

Expectancy theory and goal setting theory (Locke & Latham, 1990) are often used interchangeably when studying motivation and work effort as it relates to goals and goal achievement. In this study, goal attainment level was used as the independent variable. Goal attainment level refers to how close the organization is to meeting its financial goal and is often associated with positive and negative consequences. When goal attainment level is positive, the anticipated consequences by the individual are positive; conversely, when goal attainment level is negative, the individual believes that the consequences will be negative (Fabiny & Lovaš, 2018). While this variable was initially used as a moderator in goal-setting theory, scholars have used the construct as an independent variable in further research. Ilies and Judge (2005) and Higgins et al. (1997) are two highly cited studies that use level of goal attainment as the primary independent variable when testing its impact on goal regulation and emotional responses. My study sought to expand on the use of goal attainment level as an independent variable and test its influence on work

motivation. To isolate its influence, the corporate financial goal was held constant across scenarios, and I manipulated the goal attainment level.

While expectancy theory is the basis used in this study, for the sake of thoroughness, I also looked at two other theories that may potentially support the general hypothesis that the level of goal attainment for a stated corporate goal, to which a middle manager has variable compensation tied, would impact their motivation and work effort. The first alternate theory I addressed was the satisficing theory by Herbert A. Simon (1956). Simon's theory of satisficing, as it relates to individual effort and motivation, states that when the satisficer's efforts have gotten to "good enough," they are finished and will move on to the next activity (Schwartz, Ward, Monterosso et al., 2002; Simon, 1956). In satisficing literature, which revolves around rational choice, we often look at activities at the individual's discretion. Individuals may have two options for their effort; once they have reached a "good enough" stage of one choice, they move on to the next decision. However, what happens when the individual does not have the option of moving on and "good enough" is not an option? This study focused on corporate goals that the individual does not have input or final approval on but must work toward achieving these goals. For this reason, satisficing theory was less applicable than expectancy theory as support for this research.

The second alternate theory I addressed was the Job Demands-Resource (JD-R) theory (Bakker & Demerouti, 2007). The JD-R theory focuses on job demands (physical workload, time pressure, recipient contact, physical environment, shift work) and job resources (feedback, rewards, job control, participation, job security, supervisor support). The primary focus of JD-R theory in research is around burnout by focusing on the work

environment as perceived by the individual. Do they feel they are over-worked and under-appreciated? Does the organization provide them with the necessary resources for their job duties? JD-R theory supports research in the field of employee burnout and exhaustion (Demerouti, Bakker, Nachreiner & Schaufeli, 2001). While the premise of my research may touch on some of these same factors (feedback, rewards, participation), the primary goal of my research was to focus on the individual's motivation and work effort. Thus, the JD-R theory was less applicable than expectancy theory as support for this study.

Ultimately, this research sought to expand expectancy theory by exploring the middle manager's work level intensity by evaluating the relationship between knowledge of goal attainment level and motivation when moderated by empowerment (see Figure 1) by focusing on a specific employee group within the organization—the middle managers.

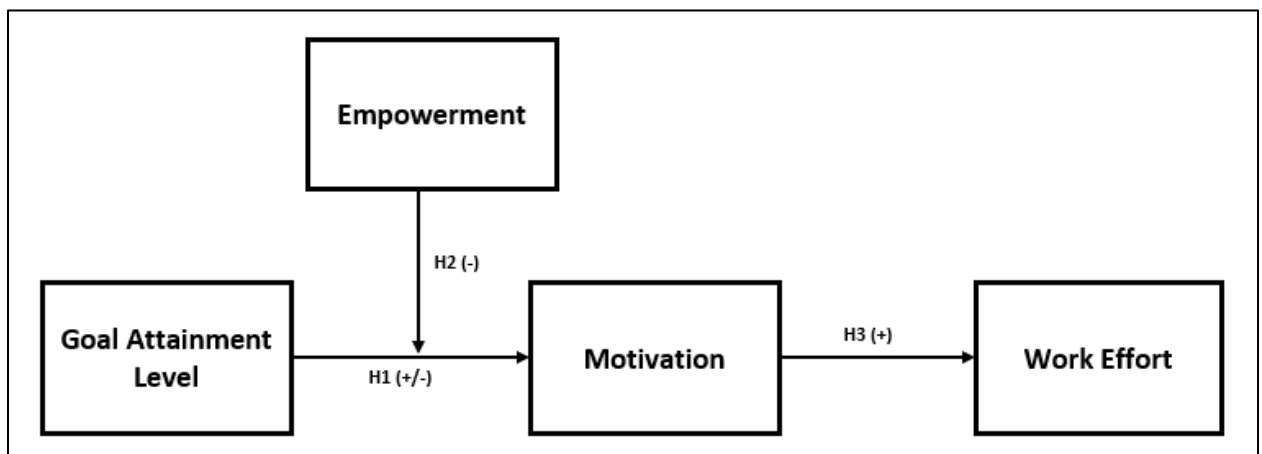


Figure 1. Hypothesis model.

The aim was to understand what happens to a MM's motivation and work effort level at different levels of goal attainment (below target/at target/exceeding) and empowerment level (low/high). The focus of this study is on goal attainment level of



corporate financial goals, to which the MM has all, or a portion of their variable compensation tied. Critical elements in my model are discussed next.

### **Middle Managers**

Middle managers play a significant role in a company's success and are often thought of as the "linchpin" of the organization. This group of managers is primarily responsible for managing and leading mid/low-level employees. As Purcell and Hutchinson (2007) noted when referring to frontline middle managers (FLM), "the fulfillment of FLMs' people management roles often rely on the manager's own sense of motivation and commitment" (p. 6). These middle managers are responsible for understanding the strategic goals of top management so that they can implement the goals by managing their employees. Mid/low-level employees are often the face (or voice) to the end customer and have been well researched across multiple organizational domains (Subramony, Groth, Hu, & Wu, 2021). However, employees often take their cue from their direct supervisor or manager through the formal and informal social interactions that occur between individuals and their supervisors (Roscigno, Sauer, & Valet, 2018). Therefore, the importance of middle managers is vital to understand.

The definition of a middle manager is relatively consistent throughout literature: an employee that is one to two levels below the senior level / c-suite employees and at least one level above the front-line supervisor (Arıcioglu et al., 2020; Fenton-O'Creevy, 1998; Pappas & Wooldridge, 2007; Wooldridge, Schmid, & Floyd, 2008). A more specific definition that I use in this study is from Pappas and Wooldridge (2007) who define middle managers are those individuals "entrusted by the firm with significant

responsibility who have access to top management and who possess significant operating know-how” (p. 330).

Floyd and Wooldridge (1997) were among the first researchers to focus on the positive impact of middle managers in the organizational setting, primarily around strategic goal setting and implementation (Floyd & Wooldridge, 1997; Pappas & Wooldridge, 2007; Wooldridge & Floyd, 1990; Wooldridge et al., 2008). Additional studies focusing on middle manager employee involvement (Han & Garg, 2018; Paul, Niehoff, & Turnley, 2000), middle manager resistance (Ateş, Tarakci, Porck, et al., 2020), and middle managers as both targets and agents of change (Arıcioglu et al., 2020; Fenton-O’Creevy, 1998; Pappas & Wooldridge, 2007) have begun to gain momentum in research in recent years.

While a portion of the middle manager’s job duties is tactical, they also perform four significant strategic roles in organizations—mediators, translators, champions, and facilitators (Wooldridge et al., 2008). *Mediators*, the more traditional role, serve as implementors of the organization’s strategy by integrating their teams’ work activities to support the strategic goals. *Translators*, also known as synthesizers, interpret information at the tactical level and communicate it to top management. *Champions*, similar to translators in sharing information with top management, will also add their influence or perceptions to help shape the company’s strategy. The final role of a middle manager is that of a *facilitator*. In this role, the middle manager encourages those within their area of responsibility to be open in coming up with new ideas and other experimental efforts (Wooldridge et al., 2008). Performing these multiple roles can be challenging for the middle manager and the senior leaders. Still, ultimately, the result of middle managers

successfully performing these roles translates into their contributions to helping shape organizational strategy (Floyd & Wooldridge, 1997).

Because middle managers are both subordinates and supervisors in organizations, senior leaders must know how to keep this group engaged and motivated. Middle managers need the respect and trust of lower-level employees to effectively perform their duties, keep their own engagement at a high level, and support the goals and activities of senior leadership (Antonioni, 1999; Wooldridge et al., 2008). This current research focuses specifically on middle managers due to the complex intricacies of their job duties in ensuring their part in the organization's success; as one shipping and warehouse manager of a manufacturing plant stated, "middle managers are the liaison between corporate and the hourly employees."

In a pre-interview with a plant manager of a private mid-sized consumer-packaged-goods company, the plant manager was asked how he would define the role of middle managers in organizations. He responded that executives and senior leaders sometimes overlook the fact that middle managers are the "foundation of the relationship between people and profits." He further stated that as a middle manager,

I don't ever want one of my subordinate leaders underneath me feeling like they're fighting a battle that I'm not willing to fight with them. So, what also goes a long way is it's feeling that your leader's willing to walk a mile in your shoes. It doesn't mean I always need to do it, but they need to know I'm willing and capable.

I believe, at its core, this is why the middle manager is essential in organizations. Their role can encompass many different functions within the organization and for an organization to successfully execute on their strategy, they need this group of employees to stay engaged at as high of a level as possible.

### **Feedback on Goal Attainment**

Individuals use feedback every day to better understand where they are, where they have been, and where they need to go. Whether it is the student receiving a grade for an exam, a child seeking approval from a parent, or the number of “likes” received on a social media post, feedback serves as a barometer for understanding one’s current status with respect to goal attainment of one form or another. The need for feedback also carries over to the workplace. Employees need to know current performance-to-goals to adjust their behavior as needed. This may be especially true for middle-level managers who understand the strategic goals and are charged with implementing tactical plans to achieve those goals.

Organizations can use feedback for many different reasons: (1) as a management tool to inform employees of their work performance (Alvero, Bucklin & Austin, 2001; Otley, 1999), (2) to engage employees in organizational target setting (Bipp & Kleingeld, 2011; Kim & Hamner, 1976), and (3) to communicate goal attainment level results on corporate financial and operational strategic goals (Lebas, 1995; Lunenburg, 2011). The goal of feedback with employees is to recognize if they need to maintain current work activities or adjust accordingly.

While feedback may seem straightforward, it can be a complex construct for companies that require thorough development. By establishing the base characteristics, feedback will allow us to know directionally where performance is related to the stated individual, team, or corporate goals (Locke & Latham, 2013, pg. 51-55). This current research sought to evaluate the individual's reaction to feedback on goal attainment of the target organizational goals used to establish variable compensation, particularly when the goals cannot be changed.

The construct of goal attainment level as an independent variable is present in many domains of academic literature. My review found references in peer-reviewed journals representing accounting, marketing, psychology, information systems, and sports psychology (see Table 1). These studies involve facets of goal attainment, including participative budget goal-setting (Anderson et al., 2010; Chong & Chong, 2002; Wentzel, 2002), emotions, and emotional intensity due to goal attainment levels (Brown, Cron, & Slocum, 1997, Higgins et al., 1997), and goal regulation (Ilies & Judge, 2005).

In this study, goal attainment is the level of attainment of goals to which the middle manager has variable compensation tied. While middle managers may, and often do, participate in setting goals, this study focuses on the goal attainment level and not the middle manager's participation in setting goals. For this study, the assumption is that the middle manager did not have input into the final goal and was instead 'given' the goal by senior leadership and is expected to operate to achieve the goal.

**Table 1 - Goal Attainment Level Studies**

Author	Article	Research Topic	Participants	Journal
Chong and Chong (2002)	Budget Goal Commitment and Informational Effects of Budget Participation on Performance: A Structural Equation Modeling Approach	The effect of participative budgeting on goal commitment and goal performance	Middle Managers in Manufacturing Survey Questionnaire	Behavioral Research in Accounting
Wentzel (2002)	The Influence of Fairness Perceptions and Goal Commitment on Managers' Performance in a Budget Setting	Perceived fairness in participative budgeting and its impact on commitment and performance	Cost-Center Managers Survey Questionnaire	Behavioral Research in Accounting
Brown et al. (1997)	Effects of Goal-Directed Emotions on Salesperson Volitions, Behavior, and Performance: A Longitudinal Study	Emotions resulting from levels of goal attainment	Salespeople of a Medical Supply Distributor Survey Questionnaire	Journal of Marketing
Huang and Zhang (2011)	Motivational Consequences of Perceived Velocity in Consumer Goal Pursuit	Velocity in progressing toward attaining a goal	Undergraduate Students Field Study & Manipulated Experiment	Journal of Marketing Research
Ilies and Judge (2005)	Goal Regulation Across Time: The Effects of Feedback and Affect	Impact of performance feedback on goals and how individuals will self-regulate	Undergraduate Students Experimental with Surveys	Journal of Applied Psychology
Higgins et al. (1997)	Emotional Responses to Goal Attainment: Strength of Regulatory Focus as Moderator	Degree that emotional intensity is impacted based on goal attainment and goal strength	Undergraduate Students Manipulated Experiment	Journal of Personality and Social Psychology
Anderson et al. (2010)	An Empirical Examination of Goals and Performance-To-Goal Following the Introduction of an Incentive Bonus Plan with Participative Goal Setting.	Participative goal setting and the impact on level of subsequent goals and performance	Store Managers and District Managers of Retail Company Survey Questionnaire	Management Science
Smith et al. (2007)	Goal Striving, Goal Attainment, and Well-Being: Adapting and Testing the Self-Concordance Model in Sport	Autonomous goal motives impacting effort in turn impacting goal attainment	British Athletes Survey Questionnaire	Journal of Sport and Exercise Psychology

As previously discussed, the role of MMs is unique in that they must understand the organization's strategic goals while also motivating and managing the mid/lower-level employees. They have access to multiple levels of financial information; this could be progress on individual and team goals, often through key performance indicators (KPIs) and high-level corporate financial results. Knowing the level of goal attainment allows managers to understand what adjustments they need to make to ensure that their team continues to work toward the goal.

The effects of goal attainment status are conflicting in the literature. Studies by Matějka and Ray (2017), Pierce and Aguinis (2013), and Podsakoff and Farh (1989)

report that when individuals receive positive feedback on goal attainment, their work activity increases. Conversely, when individuals receive negative feedback on goal attainment, their work activity decreases. However, Ilies and Judge (2005) and Kluger and DeNisi (1996) report that individuals who receive positive feedback on goal attainment, particularly when the goal has been met or is close to being met, may decrease their performance level. When they receive negative feedback on goal attainment, even though the goal may still be achievable, they may increase performance to achieve the goal. Expectancy theory supports this last assumption. If the middle manager believes they can hit the target, which would result in a reward (variable compensation), then they may increase their work effort to ensure the reward is realized.

My research accommodates these conflicting results, at least for work contexts in which performance goals are fixed, by accounting for the full range of goal attainment levels (i.e., performance below target and target cannot be met; performance near or on target; performance above target). In addition, I add a key process explanation for the influence of goal attainment level on performance: the work motivation of the MM. Simply put, when the performance goal that triggers additional compensation cannot be attained, MMs' work motivation is attenuated and work effort suffers. When the performance goal is within reach, work motivation remains strong, with a positive influence on employees' work effort. When the goal has already been attained, all else equal, work motivation decreases, thereby decreasing work effort. The result is an inverted-U shaped influence of goal attainment level on MMs work motivation that subsumes extant results in the literature (e.g., Matějka & Ray 2017; Ilies & Judge 2005).

A key issue is the degree to which performance goals are fixed at a given level for MMs. Based on my professional experience, middle managers in organizations typically do not have the authority to adjust performance goals up or down. As a result, employee motivation cannot be managed through increasing or decreasing the target goal (Pierce & Aguinis, 2013) when goals are established at the corporate level. Accordingly, organizations face a challenge when a goal may not be achievable or may have already been achieved, yet they still must keep their employees engaged at a high level. Simply withholding the performance-to-target feedback is unlikely to be successful in organizations that consistently provide feedback, because choosing to withhold the goal attainment level would only heighten the issue and be interpreted by individuals as feedback (Locke & Latham, 2013, pg 59-60). In addition, MMs are likely to know if team performance is relatively high or low simply from observation.

This last point is verified in pre-interviews with middle managers (see Qualitative Pilot Study below). For those interviewed, the common theme was that individuals in middle manager roles generally know where the company is heading financially, particularly in middle management roles that are directly involved in the daily operations of the organization. The managers interviewed primarily included support functions of customer service, shipping and warehousing, and information technology. Each of these support middle managers stated that given their organizational roles, they are usually aware of how the company is performing without the official communication. The customer support manager knows that sales are not going in the right direction if her team is not invoicing at an average volume. The shipping and warehouse manager knows that if his team is not filling a certain number of trucks a day or is having to scrap excess



waste material, then he will have a general idea of the organization's performance. Even the information technology middle manager, while he and his team may not be directly invoicing or shipping products, he may know simply by the number of electronic data interchange (EDI) transactions that he sees coming across the organization's servers.

These managers all stated that while their roles may allow them to have a good idea of where the organization's financial performance stands, they cannot base it on just their department's success or failures. They need to know the actual overall performance, particularly if their variable compensation is based on the higher-level number.

### **Motivation**

To keep middle managers motivated, organizations sometimes use variable compensation plans to ensure their high level of engagement. Variable compensation was initially used for executives and sales personnel but is now frequently used for all management employees. This variable compensation plan is often based on individual, team, or corporate performance goals. Therefore, when their variable compensation is tied to a pre-determined corporate strategic financial goal, their knowledge of its attainment level is essential.

So, what happens when the critical group of employees tasked with achieving organizational goals is aware that current goal attainment feedback is negative, and the goals are likely not to be met? Does this knowledge impact their motivation level? I propose that goal attainment level will affect middle managers' motivation and work effort intensity.

So, how should motivation be addressed within organizations for goal achievement? A primary method is often with a financial reward system. These reward systems are based on an assumption consistent with the expectancy theory, which states that an employee will put increased effort toward a goal that they believe is achievable and will result in a reward (often financial) (Kominis & Emmanuel, 2007; Lawler III & Suttle, 1973). This argues for a linear influence of the likelihood of rewards on motivation. Thus, I posit that the level of goal attainment has a more complex influence on motivation.

Lawler III and Shuttlesworth (1973) referred to Vroom's definition of motivation as the "force impelling a person to perform a particular action" (p. 482). However, motivation is not one-dimensional but a multifaceted construct of intrinsic and extrinsic dimensions. Individuals with a strong intrinsic motivation drive will perform an activity for their own fulfillment and receive satisfaction in performing or completing it focusing on the quality of their work. In contrast, an extrinsically motivated individual performs or completes the activity to achieve or obtain a reward focusing on the quantity of their work (Kominis & Emmanuel, 2007; Kuvaas, Buch, Weibel et al., 2017; Sudiardhita, Mukhtar, Hartono et al., 2018; Wong-On-Wing, Guo, & Lui, 2010). In this current study, the extrinsic motivation is the variable compensation of the middle manager.

In this study, I conducted pre-interviews with five middle managers, who I knew to be high-performing and highly motivated leaders within their organizations and who all participated in a variable compensation program. While all responded that they are more intrinsically motivated than extrinsically motivated, each admitted that the extrinsic rewards are nice.

As noted earlier, when goal attainment is below expectations, the motivation of MMs will be low as they will not feel that their actions will impact the results (i.e., target levels will not be reached for triggering additional compensation). When goal attainment is on target or within reach of being attained, MMs motivation will be higher because they believe that continued work effort will produce positive rewards (i.e., additional compensation will be triggered). Finally, when the goal has been exceeded, I believe the motivation level will decrease. In this instance, the MM can see that the goal has been met (i.e., no additional compensation to trigger). Therefore, there is no incentive to continue at the high level they exhibited in attempting to meet the goal. Ultimately, goal attainment level will matter in the motivation level of the MM and the influence of goal attainment level on motivation is curvilinear. Thus, I posit:

**Hypothesis 1:** When goal attainment is low (under / not attainable), motivation will be low; when goal attainment is at or near goal (attained / attainable), motivation will be higher than when goal attainment is low, and when goal attainment has been exceeded (already attained), motivation will be lower than when goal attainment is at or near goal.

If my hypotheses are correct, are there any steps that senior managers can take to attenuate the negative influences of goal attainment level on MMs motivation other than to uncap potential variable compensation (when goals have already been achieved)? I believe that the level of empowerment granted to MMs can help weaken the negative influences of goal attainment level on work motivation for both low (i.e., unreachable target) and high (i.e., target already attained) levels of goal attainment.

## **Empowerment**

In 1998, researcher Klagge convened a group of 150 middle managers to address critical issues they faced. One popular subject among the group was empowerment and

whether or not the practitioner and academic definitions were consistent. Middle managers agreed with the literature that empowerment is defined as “placing the responsibility for decision and actions at the lowest possible level with the organization and giving that level the tools, resources, and authority needed to decide and act” (Klagge, 1998, p. 555). These middle managers agreed that they need a level of empowerment to accomplish their work activities. Without this empowerment, they cannot be effective managers for those under their supervision.

I argue that empowered MMs take greater ownership of (i.e., feel more responsibility for) the performance of their teams because they have an influence on how corporate goals are operationalized into tactics within their departments. For example, empowered MMs might choose which tasks are assigned to their employees, determine additional ways to motivate employees through recognition or other means, make recruitment and retainment decisions with the target goal in mind, and manage a host of other operational details. While empowerment may seem straightforward, it is not as simple as making the statement “we give our people the ability to make decisions.” Individuals who are knowledgeable in their jobs know how to make decisions. According to Randolph (1995), empowerment is recognizing and using the individual’s knowledge and internal motivation and allowing them to make informed, useful decisions.

So, how do middle managers become empowered? Research tells us that an individual’s level of empowerment can come from two primary categories. First is structural empowerment, which states that the organizations will provide access to resources, information, and support for individuals to make relevant decisions to meet the company’s goals (Knight-Turvey, 2006; Laschinger, Finegan, Shamian, & Wilk, 2001).

The second form is psychological empowerment. According to Spreitzer (1995), psychological empowerment comes from within the individual and is often driven by their intrinsic motivation. Ultimately, psychological empowerment is a consequence of structural empowerment (Sharma & Kirkman, 2015). It is possible for an individual to have structural empowerment, yet not feel they have any psychological empowerment. However, it is difficult for an individual to have psychological empowerment without some level of structural empowerment. Fundamentally, structural empowerment revolves around the organization's structure and activities which support the individual's sense of psychological empowerment. This current study focuses on the psychological empowerment of the middle manager.

Spreitzer's (1995) research on empowerment started with three assumptions. First, empowerment is not a "personality trait," but is more determined by the work environment. Second, empowerment reflects the diverse ways that individuals perceive themselves as it relates to their work environment. Third, empowerment is specific to the work environment of the individual (Abel & Hand, 2018).

Next, the researcher determined four components of an individual's psychological empowerment: meaning, competence, self-determination, and impact. **Meaning** is the value the individual attributes to the goal as it aligns with their own ideas and standards. **Competence** refers to whether the individual believes they have the skillset to achieve the goal. **Self-determination** suggests that the individual has a choice in their actions. **Impact** implies the influence an individual has on outcomes in their work activities. If a middle manager can make changes in their work activities and those of their employees, will these changes influence (impact) the outcome of the corporate goal? (Spreitzer & Quinn,

1996). Hence, in this research, I use psychological empowerment as a moderator on the relationship between goal attainment level and motivation, specifically as it relates to middle managers.

A construct that is often discussed in conjunction with an individual's psychological empowerment is their level of perceived organizational support (POS). Perceived organizational support is when individuals feel that the organization appreciates them and values their well-being thereby creating a sense of obligation from the individual to the organization (Chiang & Hsieh, 2012). While POS centers around the obligation an individual may have toward the organization based on its emphasis on the individual's contribution, psychological empowerment is based more on the individual's intrinsic motivation.

Empowerment is important. We know that it helps individuals and solves or lessens demotivation problems, but how senior leaders use empowerment is even more critical. Spreitzer and Quinn (1996) stated in their pivotal study on empowering middle managers, "It is not unusual for top management to call for more empowered behaviors from employees while treating them in unempowering ways" (p. 1442). While top leaders can say that they empower their middle managers, what the middle managers believe is more important. When asked if empowerment impacts an individual's motivation and work effort, one middle manager stated, "I think it (empowerment) impacts more than a dollar does."

Empowering MMs exerts a positive motivational effect on them (Kanfer & Chen, 2016). As a result, I anticipate that MMs with higher levels of empowerment will have

higher levels of work motivation regardless of the level of goal attainment. In addition, because of their felt “ownership” of the unit’s goals (i.e., because they operationalize activities to achieve the goal at the unit level), goal attainment level will exert less influence on MMs work motivation for highly empowered MMs compared to those with low levels of empowerment. Consider the situation for low-empowerment MMs: Goals are established at the corporate level, prescribed operating procedures are implemented, and targets either are or are not met. For these managers, poor performance likely is attributed to poorly calibrated corporate goals or ineffective operating procedures, not to their individual performance, resulting in lower levels of motivation, except when performance is on track to reach the target. Hence,

**Hypothesis 2:** The empowerment level of middle managers moderates the relationship between goal attainment and motivation, such that (1) when goal attainment level is below a goal, motivation will be greater for high-empowered middle managers than for low-empowered middle managers, (2) when goal attainment is at goal or is attainable, motivation will be the same for both high-empowered and low-empowered middle managers, and (3) when goal attainment levels have exceeded the goal, motivation will be greater for high-empowered middle managers than for low-empowered middle managers.

### **Work Effort**

Work effort, as a construct, is often comingled with motivation, partly due to an early general definition of motivation as “the level of effort expended in work-related tasks” (De Cooman, De Gieter, Pepermans et al., p. 266). However, as literature has evolved, researchers have identified effort as a measurable event whereas motivation is more of a “psychological state or predisposition of the individual with respect to choices of behavior,” motivation (intent) leads to effort (Ilgen & Klein, 1988). The measurement of work effort has led researchers to define three primary facets of the construct: (1)

*direction*—the behavior that the individual chooses to engage in, (2) *intensity*—how hard the individual will work, and (3) *persistence*—the individual’s continual performance to be successful in their task (De Cooman et al., 2009; Kanfer, 1990, Locke & Latham, 1990).

While certainly a choice of the individual, work effort direction and persistence are more influenced by the organizational goals set by senior leadership and the daily monitoring activities of the managers (Latham & Locke, 1991; Lebas, 1995). When senior leaders set the direction for employees and monitor the persistence of the work activities toward the goal, the decision by the employee to not engage or to work toward another task is limited (Avgoustaki & Frankort, 2019; Brown & Leigh, 1996; Fabiny & Lovaš, 2018; Leibenstein, 1977). I posit that work effort intensity is driven by the individual’s level of motivation toward the goal and is entirely at the discretion of the individual, the one facet that senior leaders have the least control over. This uncertainty leads to a challenge for senior leaders, who must work to focus their employees’ work effort activities on attaining a stated goal.

I use Avgoustaki and Frankort’s (2019) definition to define work effort intensity as “the rate of physical and/or mental input to work tasks performed during the working day” (p. 638). When we look specifically at MMs and their impact on organizations as both subordinates and supervisors, ensuring they maintain a strong work effort intensity level is key to achieving the company’s targeted goals. Therefore, when these MMs come to work each day, they are making a conscious subjective decision on how they will engage in their work activities for the day. This decision can significantly impact everyone around the MM. Thus, I posit that higher levels of work motivation will lead to



higher levels of work intensity because the MM will choose to act on the level of motivation, all else equal. Accordingly,

**Hypothesis 3:** A middle manager's motivation level exerts a positive influence on work effort intensity.

### **Qualitative Pilot Study**

A sample qualitative pilot study was conducted with five middle managers. These middle managers were recruited from various organizations and had differing management responsibilities. The participants ranged from an individual retirement account (IRA) administrator at a northeast regional bank to a director of plant operations for a mid-sized consumer packaged goods company in the south. Each participant is considered middle management and has managerial responsibility for a team of employees, a significant organizational process, or both.

In the pilot study, the interviews focused on the participants' definition of middle management, the vital role a MM has in their organization, and how empowerment plays a role in their success. Table 2 depicts their responses to these inquiries. Their responses support the concept of the importance of middle managers, how they react to empowerment, and what the anticipated impact of knowledge of goal attainment levels means to the MM employee group.

**Table 2 - Example Quotes from Qualitative Pilot Study Participants**

Participant quotes on <i>empowerment &amp; motivation</i>		Participant quotes on the role of <i>middle managers</i>		Participant quotes on work effort as it relates to disclosure of corporate financial goal attainment levels.	
Participant	Quote	Participant	Quote	Participant	Quote
1	"yeah, my motivation doesn't change. I mean, you're saying it doesn't, but if I strip away your powers, then your motivation does change"	2	"My role (as the MM) is to be the liaison between business decision making and personnel, to make sure that they're being taken care of. I am often caught between making a decision of what's right for the company, and what's right for the persons. And I have to weigh those."	1	"The good is always going to be the good, but if you are looking at the bad, you can make adjustments and some people just don't like to see that. They only want to know the good, but I think that's something more internal."
2	"If you just want a grunt, you can hire a grunt. If you want teammates, you've got to empower them to make decisions."	2	"One of the main things I think middle managers need to have a grasp on is, that they've got to balance the people and the business. And really be that, when the corporate's bearing down on you, I'm going to be the shoulder that carries the weight. And when the people are not performing well for the company, I'm the leader to lead the pack forward. And then, understanding that people are really what drives the business."	2	"I think that they'd be more likely to put their feet up, as soon as they knew they've met target".
2	Question: Do you think empowerment impacts people's motivation and work effort? Answer: "I think it impacts it more than a dollar does".	2	"Middle managers need to have an early on understanding that there's nothing that they can personally do to guarantee their own success. What they can do is empower the people around them to succeed, so that they can guarantee their own success."	4	There are other managers in my organization that would "coast until the end because the cap was already met."
3	"Definitely a lot of freedom to do what makes sense to me (empowerment)."	5	"We're the liaison between corporate and the hourly employees."	5	"But it is nice to know that (status of corporate goal). That empower you a little bit, because it seems like you got a little ownership in it. You got a little stake. That's not bad. I think you could overwhelm people. Some people just don't care or maybe that Super Bowl trophy at the end of the season, that's all they need to see. How you get there, not so much, but to hold that trophy, that the goal to shoot for."
3	"It (empowerment) totally drives my motivation because there's a sense of. "This is my decision, so I want to make sure it's successful and it succeeds. Just having that, it drives you."				

## CHAPTER III

### METHODOLOGY

This research was conducted in two stages (Study 1 and Study 2). For Study 1, I used the experimental vignette methodology (EVM), where goal attainment and empowerment levels were manipulated. Study 2 was a field study which measured current goal attainment, empowerment, motivation, and work effort variables. These were two independent studies, each taking approximately 10 minutes for participants to complete. Study 1 consisted of individuals in the United States with managerial experience. Study 2 consisted of individuals within the United States with managerial experience and who currently or in the past had participated in a variable compensation program with their organization. All participants were recruited via the online panel service, Prolific. Study 1 and Study 2 was approved by the Institutional Review Board (IRB) at Oklahoma State University.

#### **Study 1 Methods**

##### **Participants and Procedures**

For Study 1, a target of 220 participants was requested from Prolific. Screening criteria for participants in this study were that they must be located in the U.S. and have managerial experience. The qualified participants were given a survey link using

Qualtrics online survey software, where each participant was randomly assigned two of six established scenarios. In this study, I used the experimental vignette methodology (EVM). Six scenarios (3x2) were created by crossing three goal attainment levels (below / at target / exceeding) with two empowerment levels (low / high) in a between-subjects design, with each participant responding to two scenarios. Participants were instructed that they would receive two short scenarios in which they were asked to put themselves in the shoes of the manager in the scenario, the Director of Customer Service for a store. After reading the randomly assigned scenario, participants responded to items regarding their anticipated level of motivation, resulting work effort intensity, and empowerment level they felt the Director in the scenario would possess given the facts in the scenario.

### **Manipulated Variables**

***Goal Attainment*** – Within the scenarios, I manipulated the disclosure of corporate goal attainment to three levels: below target, at target, and exceeding the target. The variable indicated the progress level toward a stated financial goal in the scenario.

***Empowerment***. Within the scenarios, I manipulated the level of empowerment to be low or high. Low empowerment was defined as the Director *not* having the authority from the Vice President of Customer Relations to approve any policy changes that the Director's customer service department needed. High empowerment was defined as the Director has the authority from the Vice President of Customer Relations to approve any policy changes that the Director's customer service department needs. Table 3 provides an overview of the manipulated variables in the scenarios (a presentation of all scenarios is provided in Appendix A).

**Table 3 - Overview of Manipulated Variables**

	Goal Attainment		Empowerment
<b>Below Goal</b>	The store-level financial goal is based on the store's operating profit. The store has completed the first 9 months of the fiscal year; corporate managers have shared with the management team that your store will not meet the target level for operating profit this year.	<b>Low</b>	The Vice President of Customer Relations has not given you the authority to approve any policy changes that impact the customer service department at your store.
<b>At Goal</b>	The store-level financial goal is based on the store's operating profit. The store has completed the first 9 months of the fiscal year; corporate managers have shared with the management team that your store is on track to meet the target level for operating profit this year.	<b>High</b>	The Vice President of Customer Relations has given you the authority to approve any policy changes that impact the customer service department at your store.
<b>Exceed Goal</b>	The store has completed the first 9 months of the fiscal year; corporate managers have shared with the management team that your store is far exceeding the target level for operating profit this year.		

### **Measured Variables**

Each item was assessed on a Likert scale ranging from 1=strongly disagree to 5=strongly agree. A comprehensive list of the measured variables can be seen in Appendix B. Each item is described below.

**Motivation.** Immediately following each scenario, the participant was asked to self-report the level of motivation they felt they would have given the facts presented in the scenario if they were the Director. This measure was adapted from the 10-item motivation measures used in studies measuring a participant's motivation level (Dysvik, Kuvaas & Gagné, 2013; Kuvaas et al., 2017). In this study, I used a subset of the ten

items. The participants responded to the following four statements: (1) My role as a manager in this organization is meaningful, (2) As a director in this organization, I am committed to achieving the targeted financial goal, (3) It is important for me to have an external incentive to strive for in order to do a good job, and (4) External incentives such as bonuses and provisions are essential for how well I perform my job.

***Work Effort Intensity.*** Immediately following each scenario, the participant was asked to self-report the level of work effort they felt they would have given the facts presented in the scenario if they were the Director. This measure was adapted from the 5-item work effort measures used in studies measuring a participant's work effort intensity level (Kuvaas & Dysvik, 2009). In this study, I used a subset of the five items. The participants responded to the following two statements: (1) As a director in this organization, I am willing to work beyond what I should for the success of my organization, and (2) As a director, I will continue to expend extra effort in carrying out my job duties.

***Empowerment.*** Participants were asked to respond to questions related to how empowered they were as the Director in the scenario. A subset of the 12-item empowerment scale developed by Spreitzer (1995) was used to measure the components of the variable. The participants responded to the following statements: (1) As a director, I have independence and freedom in leading my department, and (2) My impact as the director on achieving the organization's goal is significant.

### **Manipulation Checks**

After the measured variable questions were completed, two manipulation check questions were placed at the end of each scenario. These questions aimed to determine if

the participant read the scenario as intended. The check for the manipulation of empowerment level was “As a director, how much freedom did you have to make decisions in this scenario?” The scale used 1=hardly any, 2=a small amount, 3=some, 4=a considerable amount, and 5=an extraordinary amount. The check for the manipulation of goal attainment level was “In this scenario, what is the current level of performance to target?” The scale used was 1=below target, 2=at target, and 3=exceeding target.

### **Demographics**

At the end of study, participants completed a 5-item demographic questionnaire that included questions about age, gender, education level, overall compensation as it compares to the average, and United States citizenship status. Age was coded into four categories with 1=18-29 years old, 2=30-39 years old, 3=40-49 years old, and 4=50 years old or above. Gender was coded as 0=male, 1=female, 2=non-binary and 3=prefer not to say. Education level was coded as 0=high school, 1=some college, 2=college degree, and 3=less than high school. Compensation level as it compares with the average compensation in the participants field of work was coded as 0=well below average, 1=below average, 2=average, 3=above average, and 4=well above average. United States citizenship was coded as 0=yes and 1=no.

## **Study 2 - Methods**

### **Participants and Procedures**

For Study 2, approximately 375 qualified participants were needed. Because this study targeted middle managers with variable compensation plans, I had to conduct the study in two phases. First, I used Prolific to screen for qualified participants. Phase 1 of the survey screened participants who had managerial experience, were in the U.S., and

currently have or have had variable compensation as part of their total compensation. Variable compensation was defined as “compensation received by the individual which is based on the organization’s performance.” This compensation is on top of the individual’s base salary, and qualified participants were asked to participate in phase 2 of the survey. Phase 2 of the survey was a measured variable study which aimed to obtain self-reported data from the participants about their experiences within their organizations related to empowerment, motivation, and work effort.

### **Study 2 - Phase 1**

Phase 1 of Study 2 was used as a consent survey. Using Prolific to screen participants who met the variable compensation criteria was limited; therefore, using a consent survey was warranted. In this phase of the survey, the participants were asked three questions to identify their qualifications for phase 2. The questions asked were (1) Do you currently or have you ever participated in a variable compensation plan with your organization, (2) If so, was all or part of your variable compensation tied to an overall corporate financial goal, and (3) What is your Prolific ID? I then distributed Part 2 of the survey by collecting the Prolific IDs of qualified participants. If participants were not or had never been part of a variable compensation program in their organization, the survey would not allow them to move forward with their answers. Once Phase 1 of Study 2 was complete, and I had adequately screened participants, I administered Phase 2.

### **Study 2 - Phase 2**

Phase 2 of Study 2 is a measured variable study. Qualified participants with variable compensation plans from Phase 1 were sent a Qualtrics survey link to complete Study 2. This survey self-reported their current work or prior work environment related to



their goal attainment level, empowerment, motivation, and work effort levels. Questions in each measured variable study were assigned randomly to participants.

***Current Goal Attainment Level.*** Participants were asked about the current goal attainment level related to their variable compensation plan and if they expect the goal, thus their variable compensation, to be met. Participants were asked two questions related to their variable compensation, (1) If your current variable compensation plan has an organizational performance component to it, how close are you to meeting goal, and (2) If your current variable compensation plan has an individual performance component to it, how close are you to meeting goal? The available responses for both questions were (1) below goal (I don't anticipate that we will meet the goal this year), (2) make goal (I anticipate that we will be able to meet our goal for the year), (3) exceed goal (We have already exceeded our goal for the year), and (4) I'm not sure. Participants who indicated their variable compensation was not based on a corporate goal but rather an individual goal were eliminated from the analysis.

### **Measured Variables**

Each item was answered using a Likert scale ranging from 1=strongly disagree to 5=strongly agree. See Appendix B for a comprehensive list of the measured variables.

Each item is described below.

***Motivation.*** This measure was adapted from the motivation measure used in studies measuring a participant's motivation level (Dysvik et al., 2013; Kuvaas et al., 2017). For this study, eight items were included: (1) I really like the tasks that I perform in my current job, (2) The tasks that I perform in my current job are enjoyable, (3) My current job is meaningful, (4) My current job is exciting, (5) My current job is so

interesting that it is a motivation in itself, (6) Sometimes, I become so inspired by my job that I almost forget everything else around me, (7) It is important for me to have an external incentive to strive for in order to do a good job, and (8) External incentives such as bonuses and provisions are essential for how well I perform my job.

***Work Effort Intensity.*** Participants were asked to self-report the level of work effort they have in their current job or in a prior job where they had variable compensation. This measure was adapted from the five-item work effort measures used by Kuvaas and Dysvik (2009) to measure participants' work effort intensity level. For this study, five items included: (1) I work as hard as possible in my current job, (2) I intentionally expend a great deal of effort in carrying out my current job duties, (3) I often expend extra effort in carrying out my job duties, (4) I usually expend more than an acceptable level of effort, and (5) I don't hesitate to put in extra effort when it is needed.

***Empowerment.*** The participants' empowerment was measured using the same 12-item scale as in Study 1. The empowerment scale developed by Spreitzer (1995) was used to measure the components of the variable. The twelve items included: (1) The work I do is very important to me, (2) My current job activities are personally meaningful to me, (3) The work I do is meaningful to me, (4) I am confident about my ability to do my job, (5) I am self-assured about my capability to perform my work activities, (6) I have mastered the skills necessary for my job, (7) I have significant autonomy in determining how I do my job, (8) I can decide on my own how to go about doing my work, (9) I have considerable opportunity for independence and freedom in how I do my job, (10) My impact on what happens in my current department is large, (11) I have a great deal of

control over what happens in my current department, and (12) I have significant influence over what happens in my department.

### **Other Measures**

Other measures included in Study 2 were attention checks and questions regarding how the participants viewed empowerment in their current or prior positions. Due to the number of questions required to be answered by the participants, attention checks were put in place to ensure the participants were giving a good faith effort on the survey. An example of an attention check was “To ensure you are paying attention, please respond “2 – Moderately Disagree.”

The second set of other measures was related to the participants’ personal beliefs about their empowerment level. I was interested in analyzing the impact of these answers on the results. The first question was “In your current position, how often do you feel empowered as a manager.” The response levels were (0) never, (1) seldom, (2) sometimes, (3) frequently, and (4) always. The second question was “How much impact would you say that the global business climate has on your role in your organization.” The response levels were (0) hardly any, (1) a small amount, (2) some, (3) a considerable amount, and (4) an extraordinary amount.

### **Demographics**

At the end of the study, participants were asked to complete a 5-item demographic questionnaire that includes questions about age, gender, education level, overall compensation as it compares to the average, and United States citizenship status. Age was coded into four categories with 1 = 18-29 years old, 2 = 30 – 39 year-old, 3 = 40-49 years old, and 4 = 50 years old or above. Gender was coded as 0 = male, 1 = female, 2 =

non-binary and 3 = prefer not to say. Education level was coded as 0 = high school, 1 = some college, 2 = college graduate, and 3 = less than high school. Compensation level as it compares with the average compensation in the participants field of work was coded as 0 = well below average, 1 = below average, 2 = average, 3 = above average, 4 = above average and 5 = well above average. United States citizenship was coded as 0 = yes and 1 = no.

Chapter IV presents the hypotheses findings and results from Study 1 and 2

## CHAPTER IV

### RESULTS

This chapter presents the detailed findings for Study 1 and Study 2. SPSS statistical software package was used to analyze the data. All participants were recruited via the online recruitment service Prolific. The experimental vignette methodology (EVM) was used in Study 1, where goal attainment and empowerment levels were manipulated. Study 2 was a measured variable field study that measured individuals' goal attainment level, empowerment, motivation, and work effort. Results of the studies are described below.

#### **Study 1**

##### **Population Demographics**

Study 1 included 220 participants who had managerial experience, were at least 18 years old, and resided in the United States. Of the study participants, 107 (48.6%) were male, 108 (49.1%) were female, and 5 (2.3%) were non-binary or chose not to identify their gender. The age group with the highest response rate was 30-39 years old, with 96 (43.6%), followed by 18-29 years old, with 53 (24.1%). See Table 4 for the participants' demographics.

**Table 4 - Demographics of Study Participants (Study 1)**

<i>Table 4 - Demographics of study participants (Study 1)</i>							
Variable	Item	N	Percentage	Variable	Item	N	Percentage
<b>Employment</b>	Part-time	61	27.7%	<b>Age</b>	18-29 years old	53	24.1%
	Full-time	159	72.3%		30-39 years old	96	43.6%
<b>Type of Organization</b>	Retail	27	12.3%		40-49 years old	38	17.3%
	Dining Service / Fast Food	12	5.5%		50 years old or above	33	15.0%
	Banking	3	1.4%	<b>Gender</b>	Male	107	48.6%
	Service / Consulting Organization	37	16.8%		Female	108	49.1%
	Healthcare	27	12.3%		Non-binary	3	1.4%
	Manufacturing	18	8.2%		Prefer not to say	2	0.9%
	Education	19	8.6%	<b>Education</b>	High school	18	8.2%
Other	77	35.0%	Some college		58	26.5%	
<b>Job Title</b>	Supervisor	33	15.0%		College degree	143	65.3%
	Manager	64	29.1%		Less than high school	0	0.0%
	Director	14	6.4%	<b>Compensation Comparison</b>	Well below average	5	2.3%
	Other	109	49.5%		Below Average	34	15.5%
<b>Number of Employees</b>	Zero	95	43.2%		Average	137	62.3%
	1-10	98	44.5%		Above average	42	19.1%
	11-20	16	7.3%	Well above average	2	0.9%	
	More than 21	11	5.0%				
<b>US Citizen</b>	Yes	219	99.5%				
	No	1	0.5%				

In this study, participants were given two of six randomly selected scenarios in which empowerment and goal attainment levels were manipulated; this resulted in 15 possible combinations with 440 instances for analysis. The frequency of combinations randomly assigned can be seen in Table 5. The study was conducted in two phases. The first phase was a test phase with a small number of participants. The primary survey was released after completion of the test phase survey.

**Table 5 - Distribution of Scenario Combinations**

<i>Table 5 - Distribution of Scenario Combinations</i>							
Scenario Description	Scenario Variable	SC1	SC2	SC3	SC4	SC5	SC6
Below Goal / Low Empowerment	SC1		16	17	15	13	17
Below Goal / High Empowerment	SC2			18	27	11	15
At Goal / Low Empowerment	SC3				11	14	9
At Goal / High Empowerment	SC4					12	15
Exceeding Goal / Low Empowerment	SC5						10
Exceeding Goal / High Empowerment	SC6						

## Measurement

Study 1 variables and measures are shown in Table 6. Motivation was measured using a subset of the 10-item motivation measures used in studies (Dysvik et al., 2013; Kuvaas et al., 2017); the subset of items is listed below. Work effort was measured using the 5-item work effort measure used by Kuvaas and Dysvik (2009). The full list of measures can be found in Appendix B.

**Table 6 - Item Descriptions for Each Item in Study 1**

<b>Motivation</b>	<b>Survey Questions Related to the Motivation Variable</b>
MOT1	My role as a manager in this organization is meaningful.
MOT2	As a director in this organization, I am committed to achieving the targeted goal.
MOT3	It is important for me to have an external incentive to strive for in order to do a good job.
MOT4	External incentives such as bonuses and provisions are essential for how well I perform my job.
<b>Work Effort</b>	<b>Survey Questions Related to the Work Effort Variable</b>
WE01	As a director in this organization, I am willing to work beyond what I should for the success of my organization.
WE02	As a director, I will continue to expend extra effort in carrying out my job duties.

## Manipulation Checks

Composite variables were created, and a manipulation check was performed for each manipulated variable. Empowerment was manipulated to be either low or high empowerment. In the low-empowerment scenario, the director was required to get approval for any policy changes needed for their department. In the high-empowerment scenario, the director was given the authority to make policy changes to their department without further approvals. A manipulation check was used to confirm the empowerment level in the scenario to ensure the participant was paying attention to the facts presented in the scenario. Following each scenario, the participant was asked, “*As a director, how*

*much freedom did you have to make decisions in this scenario?"* The response scale used 1=hardly any, 2=a small amount, 3=some, 4=a considerable amount, and 5=an extraordinary amount. The manipulation check results confirmed the successful manipulation of low (3.0, s.d.=1.0) and high (4.3, s.d.=0.6) levels of empowerment ( $F=268.6$ ;  $p < .001$ ).

Goal attainment level was manipulated to be either below goal, at goal, or exceed goal. Participants were asked, *"In this scenario, what is the current level of performance to target."* Eighty-one percent (81%) of the subjects in the below goal condition, 83% in the at goal condition, and 82% in the exceeded goal condition correctly responded on the manipulation check item ( $\text{Chi-Square}=475.148$ ,  $df=4$ ,  $p < .001$ ). As a result, the manipulation checks confirm the successful manipulation of empowerment and goal attainment levels in the scenarios.

## **Results**

The results of a two-way ANOVA conducted using SPSS indicate that although the overall model was statistically significant (see Table 7), the pattern of results was not consistent with each of my hypotheses.



**Table 7 - ANOVA Results**

<i>Table 7 - ANOVA Results</i>						
Predictor	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>	$\eta_p^2$
Corrected Model	2.882a	5	0.576	1.381	0.23	0.016
Intercept	6660.775	1	6660.775	15958.842	<.001	0.974
ManGAL	0.045	2	0.022	0.054	0.948	0
ManEmp	0.101	1	0.101	0.241	0.623	0.001
ManGAL * ManEmp	2.78	2	1.39	3.331	0.037	0.015
Error	181.139	434	0.417			
Total	6952.688	440				
Corrected Total	184.021	439				

H1 predicted that when goal attainment is low (under / not attainable), motivation will be low; when goal attainment is at or near the goal (attained / attainable), motivation will be higher than when goal attainment is low, and when goal attainment has been exceeded (already attained), motivation will be lower than when goal attainment is at or near the goal. Yet, the pattern of means shown in Table 8 and Figure 2 shows that when the goal attainment level exceeds the goal level (3.92), motivation does not decrease significantly from the goal mean (3.9). Therefore, H1 is not supported.

**Table 8 - Motivation Means**

Goal Attainment Level	N	Mean	Std. Deviation
Below Goal	165	3.914	0.685
At Goal	149	3.940	0.636
Exceed Goal	126	3.922	0.614

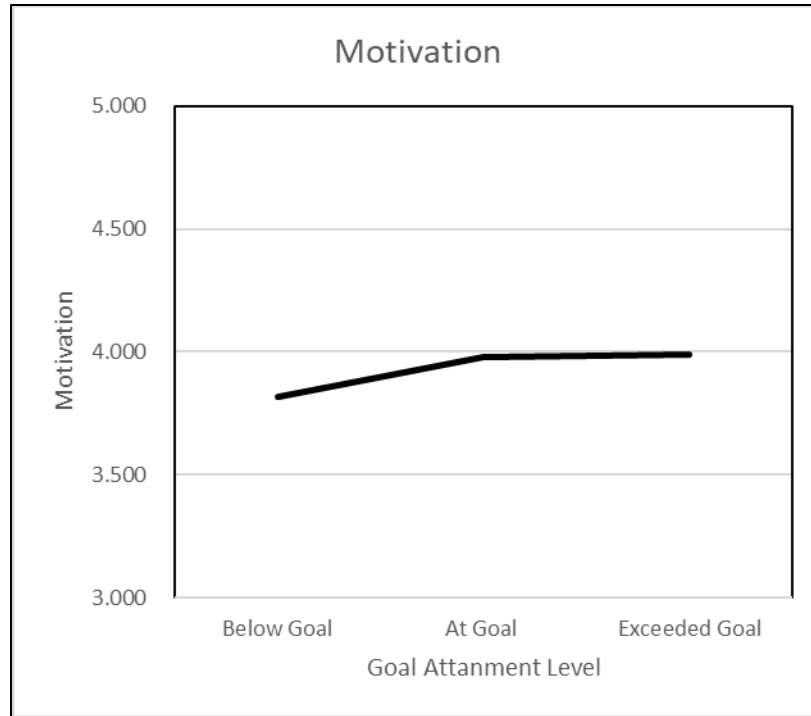


Figure 2. Motivation (Study 1) goal attainment level.

H2 predicted that the empowerment level of middle managers moderates the relationship between goal attainment and motivation, such that (1) when goal attainment level is below goal, motivation will be greater for high-empowered middle managers than for low-empowered middle managers, (2) when goal attainment is at goal or is attainable, motivation will be the same for both high-empowered and low-empowered middle managers, and (3) when goal attainment levels have exceeded the goal, motivation will be greater for high-empowered middle managers than for low-empowered middle managers. Yet the pattern of means shown in Table 9 and depicted in Figure 3 shows that low-empowered managers have increased levels of motivation as goal attainment level increases. Two comparisons should be noted. First, the *at goal* comparison shows that the high empowerment mean (4.01) is higher than the high empowerment at exceeding goal

(3.79). Second, for the comparison of the exceed goal scenarios (SC5 and SC6), the low empowerment mean (4.04) is higher than the high empowerment mean (3.79); additionally, this is the one significant comparison ( $p < .05$ ). I initially predicted that there would be an apparent curvilinear effect on motivation at different levels of empowerment and goal attainment level (Figure 4), and that high empowerment would cause a flattening out of the curvilinear impact. Nevertheless, when the results were analyzed, the curvilinear prediction did not hold (Figure 3). Therefore, H2 is not supported.

**Table 9 - Motivation Means with Empowerment Moderator**

		N	Mean	Std. Deviation
<b>Low Empowerment</b>	Below Goal	78	3.904	0.685
	At Goal	69	3.862	0.647
	Exceed Goal	63	4.040	0.621
<b>High Empowerment</b>	Below Goal	87	3.922	0.689
	At Goal	80	4.006	0.623
	Exceed Goal	63	3.786	0.585

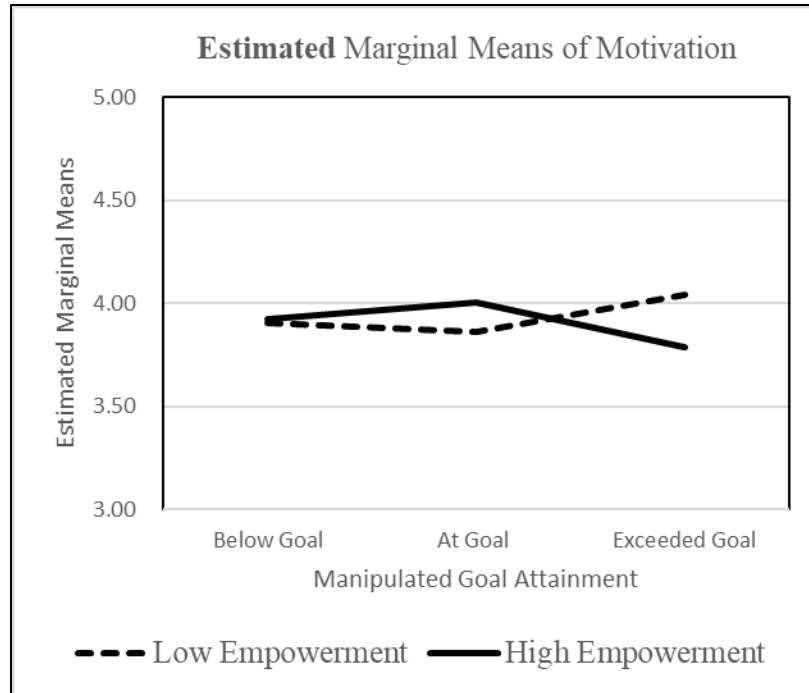


Figure 3. Estimated marginal means of motivation.

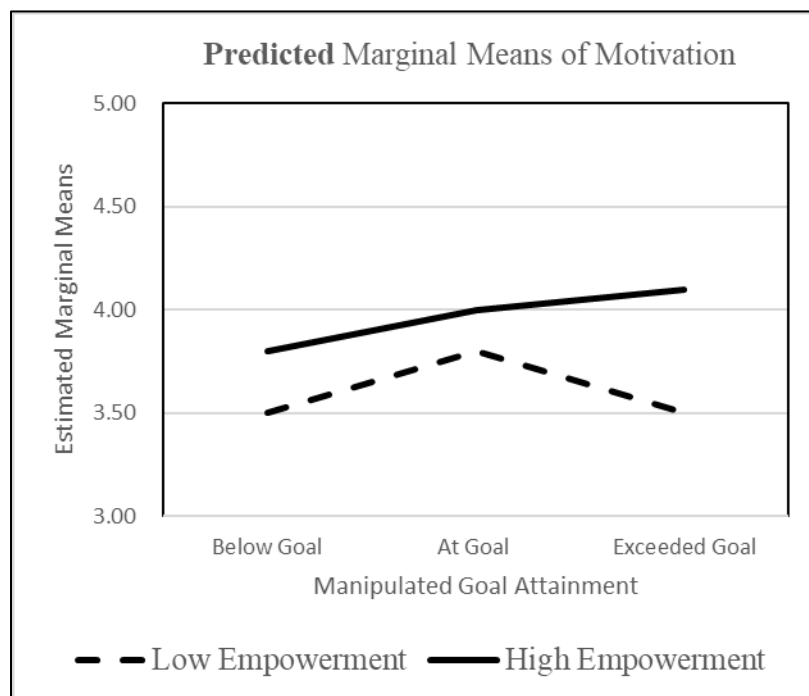


Figure 4. Predicted marginal means of motivation.

H3 predicted that a middle manager’s motivation level exerts a positive influence on work effort intensity. The pattern of means shown in Table 10 and depicted in Figure 5 show that as motivation increases, work effort also will increase at the same level. We can see in this analysis that work effort remains the same when goal attainment is at goal (3.93) and exceed goal (3.93). While the increase shown is not noteworthy, it does show that work effort and motivation tend to move in unison in this analysis. Therefore, H3 is supported.

**Table 10 - Work Effort Means**

Goal Attainment Level	N	Mean	Std. Deviation
Below Goal	165	3.758	1.049
At Goal	148	3.926	0.868
Exceed Goal	126	3.929	0.944

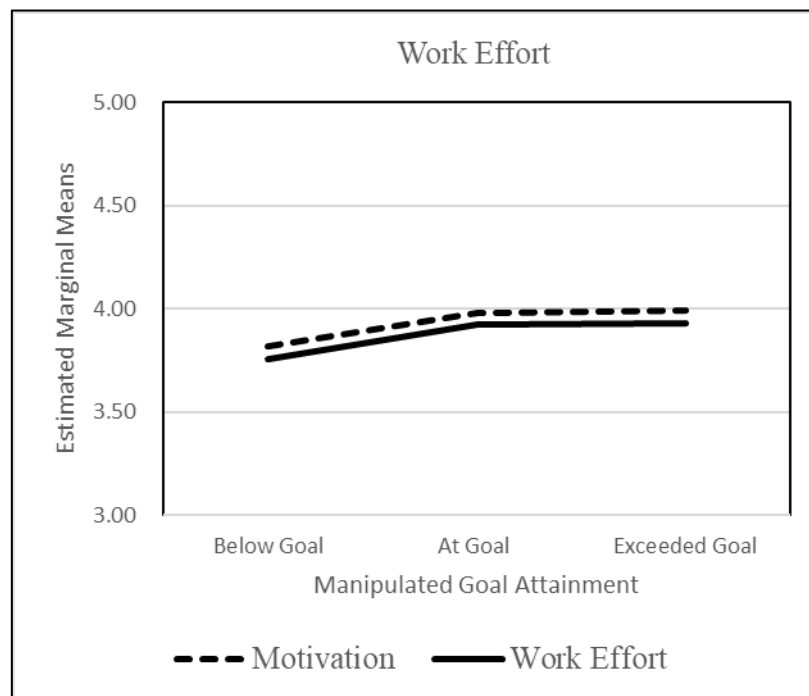


Figure 5. Work effort.

## **Limitations**

There are several reasons why this study might not have obtained the predicted results. First is the participant pool; all participants for this study were recruited from an online survey service. Therefore, while all participants had managerial experience, they may have needed more depth of managerial experience for the survey. Secondly, this was an experimental study where participants were asked to put themselves in the role of a fictional director. Administering this survey within an organization of managers at different time intervals throughout the fiscal year as their goal attainment level changes would likely get more relevant data.

## **Study 2**

### **Population Demographics**

Study 2 was a measured variable study conducted in two phases. Phase one was a consent study to screen participants with managerial experience who were at least 18 years old, resided in the United States, and currently or previously had participated in a variable compensation program in their organization.

This survey was sent to 650 potential participants, with 648 responses. The requirement to be sent the second phase of the survey was that participants must currently have or previously had variable compensation tied to a corporate financial goal. After removing records that did not meet these criteria, 474 participants received the Phase 1 survey.

This next phase resulted in 401 (85%) useable responses to the survey, of which 283 (70.6%) were male, 108 (26.9%) were female, and 10 (2.5%) were non-binary or chose not to identify their gender. The age group with the highest response rate was 30-

39 years old, with 162 (40.4%), followed by 50 years old or above, with 97 (24.2%). The complete demographics of the participants can be seen in Table 11.

**Table 11 - Demographics of Study Participants (Study 2)**

<i>Table 11 - Demographics of study participants (Study 2)</i>							
Variable	Item	N	Percentage	Variable	Item	N	Percentage
<b>Employment</b>	Part-time	55	13.7%	<b>Age</b>	18-29 years old	62	15.5%
	Full-time	346	86.3%		30-39 years old	162	40.4%
<b>Type of Organization</b>	Retail	53	13.2%		40-49 years old	80	20.0%
	Dining Service / Fast Food	9	2.2%		50 years old or above	97	24.2%
	Banking	20	5.0%	<b>Gender</b>	Male	283	70.6%
	Service / Consulting Organization	70	17.5%		Female	108	26.9%
	Healthcare	34	8.5%		Non-binary	10	2.5%
	Manufacturing	48	12.0%		Prefer not to say	0	0.0%
	Education	22	5.5%	<b>Education</b>	High school	35	8.7%
	Other	145	36.2%		Some college	65	16.2%
<b>Job Title</b>	Supervisor	95	23.7%		College degree	299	74.6%
	Manager	163	40.6%		Less than high school	2	0.5%
	Director	52	13.0%	<b>Compensation Comparison</b>	Well below average	5	1.2%
	Other	91	22.7%		Below Average	34	8.5%
<b>Number of Employees</b>	Zero	66	16.5%		Average	199	49.6%
	1-10	243	60.6%		Above average	146	36.4%
	11-20	58	14.5%	Well above average	17	4.2%	
	More than 21	34	8.5%	<b>Participant Personal Empowerment Level</b>	Never	16	4.0%
<b>Variable Compensation (Corporate)</b>	Below goal	45	11.2%		Seldom	32	8.0%
	Make goal	249	62.1%		Sometimes	132	32.9%
	Exceed goal	107	26.7%		Frequently	166	41.4%
	I don't know	0	0.0%	Always	55	13.7%	
<b>Variable Compensation (Individual)</b>	Below goal	26	6.8%	<b>Impact of global business climate on role in organization.</b>	Hardly Any	32	8.0%
	Make goal	236	61.6%		A Small Amount	69	17.2%
	Exceed goal	121	31.6%		Some	138	34.4%
	I don't know	0	0.0%		A considerable Amount	127	31.7%
					An Extraordinary Amount	35	8.7%
				<b>US Citizen</b>	Yes	401	100.0%
					No	0	0.0%

## Measurement

Study 2 variables and measures are shown in Table 12. Motivation was measured using eight of the 10-item motivation measures used in studies by Dysvik et al. (2013) and Kuvaas et al. (2017). Work effort was measured using the 5-item work effort measure used by Kuvaas and Dysvik (2009). Empowerment was measured using the 12-item scale developed by Spreitzer (1995). See Appendix B for the full list of measures.

I ran a factor analysis of all measures to determine whether they were appropriately loaded on the desired constructs. The results returned a pattern matrix in which some items had cross-loadings on multiple constructs or had significantly low loadings, resulting in six components being created. After a review of the measures, any item that was cross-loaded or had a weak loading was dropped from the original model. The primary reduction in variables was in the motivation and empowerment measures. The initial model was ultimately reduced. Three items from the motivation scale (IM06, EXM01, EMX02) were deleted from the initial model due to lack of item reliability and low standardized loadings. Nine items from the empowerment scale (EM01, EM02, EM03, EC01, EC02, EC03, EI01, EI02, EI03) were deleted from the initial model due to lack of item reliability and low standardized loadings. The motivation scale in the revised model is reliable with a Cronbach's alpha of .913. The work effort scale, which was not adjusted from the initial model, had a Cronbach's alpha of .889. The empowerment scale in the revised model is reliable with a Cronbach's alpha .865. The subset of items used in the final model can be seen below in Table 12. The full list of measures can be found in Appendix B.



**Table 12 - Item Descriptions for Each Item in Study 2**

<b>Table 12 -Item descriptions for each item in Study 2</b>	
<b>Motivation: The survey questions related to the motivation variable are as follows:</b>	
IM01	I really like the tasks that I perform in my current job.
IM02	The tasks that I perform in my current job are enjoyable.
IM03	My current job is meaningful.
IM04	My current job is very exciting.
IM05	My current job is so interesting that it is a motivation in itself.
<b>Work Effort: The survey questions related to the work effort variable are as follows:</b>	
WE01	I work as hard as possible in my current job.
WE02	I intentionally expend a great deal of effort in carrying out my current job duties.
WE03	I often expend extra effort in carrying out my job duties.
WE04	I usually expend more than an acceptable level of effort.
WE05	I don't hesitate to put in extra effort when it is needed.
<b>Empowerment: The survey questions related to the empowerment variable are as follows:</b>	
ES01	I have significant autonomy in determining how I do my job.
ES02	I can decide on my own how to go about doing my work.
ES03	I have considerable opportunity for independence and freedom in how I do my job.

To continue to prepare the data for analysis, I performed a median split on the participants' self-reported empowerment level. For this process, those participants who fell below the median of 4.0 were grouped into the low empowerment level (213 participants), and those above the median of 4.0 were classified as high empowerment (179 participants).

As the last step, outliers were identified and removed for motivation and work effort measures. Any records exceeding three standard deviations from the variable means were removed, eliminating nine records, five for motivation and four for work effort. Therefore, the total population went from 401 to 392.

## **Results**

The results of a two-way ANOVA conducted using SPSS indicate that although the overall model was statistically significant (see Table 13), the pattern of results was not consistent with each of my hypotheses.

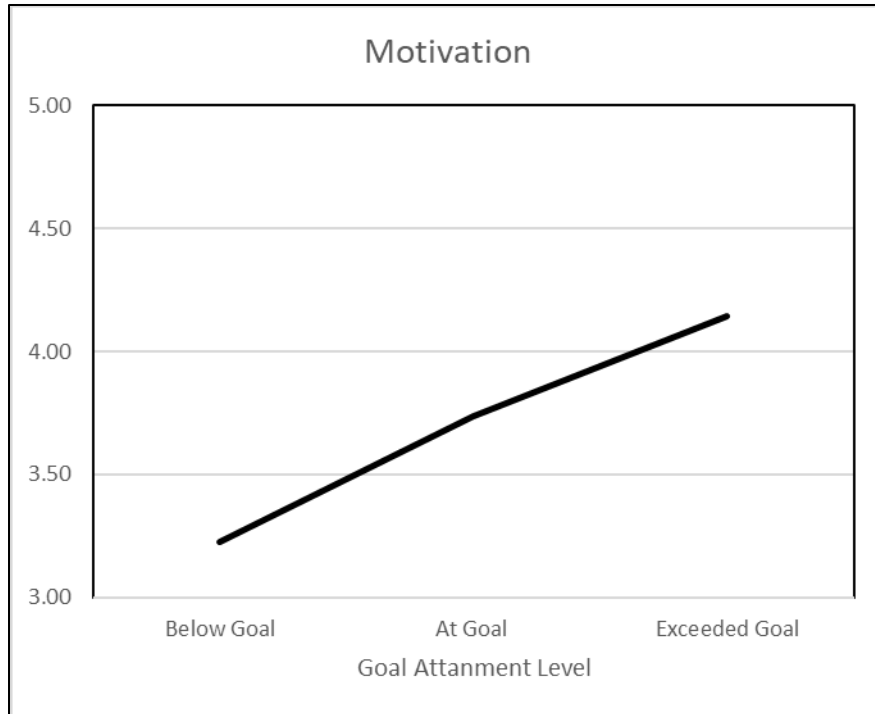
**Table 13 - ANOVA Results**

<i>Table 13 - ANOVA Results</i>						
Predictor	Sum of Squares	<i>df</i>	Mean Square	<i>F</i>	<i>p</i>	$\eta_p^2$
Corrected Model	70.380 <sup>a</sup>	5	14.076	24.050	<.001	.238
Intercept	3,294.387	1	3,294.387	5,628.792	<.001	.936
GALCorp	17.283	2	8.641	14.765	<.001	.071
L_H_Emp	38.232	1	38.232	65.324	<.001	.145
GALCorp * L_H_Emp	4.248	2	2.124	3.629	.027	.018
Error	225.916	386	0.585			
Total	5,908.240	392				
Corrected Total	296.296	391				

H1 predicted that when goal attainment is low (under / not attainable), motivation will be low; when goal attainment is at or near goal (attained / attainable), motivation will be higher than when goal attainment is low, and when goal attainment has been exceeded (already attained), motivation will be lower than when goal attainment is at or near goal, yet the pattern of means shown in Table 14 and depicted in Figure 6 shows that when goal attainment level is at the exceed goal level (4.1), motivation does not decrease from the at goal mean (3.7). Therefore, H1 is not supported.

**Table 14 - Motivation Means**

Goal Attainment Level	N	Mean	Std. Deviation
Below Goal	44	3.223	0.985
At Goal	246	3.735	0.807
Exceed Goal	102	4.143	0.817



*Figure 6. Motivation (Study 2).*

H2 predicted that the empowerment level of middle managers would moderate the relationship between goal attainment and motivation, such that (1) when goal attainment level is below goal, motivation will be greater for highly-empowered middle managers than for low-empowered middle managers, (2) when goal attainment is at goal or is attainable, motivation will be the same for both high-empowered and low-empowered middle managers, and (3) when goal attainment levels have exceeded the goal, motivation will be greater for high-empowered middle managers than for low-empowered middle managers.

The pattern of means shown in Table 15 and Figure 7 shows that low-empowered managers have increased motivation levels as goal attainment increases. However, high-empowered managers showed a decrease in motivation when the goal attainment level

moved from below goal to at goal and then an increase when the goal attainment level moved to exceed the goal.

**Table 15** *Motivation Means with Empowerment Moderator*

		N	Mean	Std. Deviation
<b>Low Empowerment</b>	Below Goal	25	2.704	0.737
	At Goal	149	3.529	0.830
	Exceed Goal	39	3.723	0.785
<b>High Empowerment</b>	Below Goal	19	3.905	0.852
	At Goal	97	4.052	0.658
	Exceed Goal	63	4.403	0.729

There is a statistical significance ( $p < .05$ ) at each level of goal attainment between low and high empowerment, meaning when the goal attainment level is below goal, there is a statistically significant difference between low and highly-empowered middle managers. However, when we look at the means at each level, we see that the first assertion in H2 is supported where when the goal attainment level is below the goal, the motivation for highly-empowered middle managers (3.9) will be higher than that of the low-empowered manager (2.7). The second assertion in H2 is not supported. The hypothesis for this assertion was that when the goal attainment level is at goal, the motivation level would be the same for both high and low-empowered middle managers. However, the results show that the motivation level of highly-empowered middle managers (4.0) differs from that of the low-empowered middle manager (3.5). Finally, the third assertion of H2 states that when the goal attainment level exceeds the goal, motivation for highly-empowered middle managers (4.4) will be greater than the motivation level of low-empowered middle managers (3.7).

H2 predicted that there would be an apparent curvilinear effect on motivation at different levels of empowerment and goal attainment and that high empowerment would cause a flattening out of the curvilinear impact. The study's results do not fully support the hypothesis that higher empowered managers have higher motivation, except when the goal attainment level is at goal. Instead, at each level of goal attainment, the motivation level of the highly-empowered manager is higher than that of the low-empowered manager. Therefore, H2 is not fully supported.



Figure 7. Motivation.

H3 predicted that a middle manager's motivation level exerts a positive influence on work effort intensity. Regression analysis was run in two stages. First (Model 2) was a regression with work effort (dependent variable) regressed on goal attainment level, empowerment, goal attainment level squared, goal attainment level x empowerment, and

goal attainment level squared x empowerment. The second (Model 3) was the same regression as in Model 2 but with the addition of the motivation variable. This was done to test the mediational role of motivation.

Model 2 results show a significant effect on work effort by goal attainment level, empowerment, and the interaction of goal attainment level and empowerment ( $F(5,386) = 32.814, p < .001$ ), with  $R^2$  of .298, indicating that the combined predictors in the model predict 30% of the variation in work effort intensity. Adding in the mediating effect of motivation, Model 3 results show a significant effect on work effort by motivation, goal attainment level, empowerment, the interaction of goal attainment level and empowerment ( $F(6,385) = 34.520, p < .001$ ), with  $R^2$  of .350, indicating that the combined predictors in the model predict 35% of the variation in work effort intensity. When comparing the coefficients of Model 2 (Table 16) and Model 3 (Table 17), we can see that the coefficient levels for each predictor decreased when motivation was included in the model; this provides evidence that motivation partially mediates the influence of GAL, empowerment, and the interaction terms on work effort intensity.

**Table 16 - Results of Linear—Model 2**

<b>Table 16 - Results of Linear - Model 2</b>						
Predictor	B	SE	95% CI		$\beta$	p
			LL	UL		
(Constant)	-0.288	0.53	-1.323	0.747		.585
GAL	3.08	0.97	1.180	4.986	2.099	.002
EmpMeas	0.87	0.13	0.619	1.120	0.774	<.001
GAL2	-0.85	0.42	-1.678	-0.021	-1.384	.044
GAL x EMP	-0.611	0.23	-1.072	-0.15	-1.946	.009
GAL2 x EMP	0.19	0.10	0.014	0.384	1.361	.068

**Dependent Variable: WEMeas**

**Table 17 - Results of Linear—Model 3**

<b>Table 17 - Results of Linear - Model 3</b>						
Predictor	B	SE	95% CI		$\beta$	p
			LL	UL		
(Constant)	0.33	0.42	-0.497	1.154		.435
GAL	3.05	0.78	1.509	4.584	2.508	<.001
EmpMeas	0.60	0.11	0.385	0.808	0.642	<.001
GAL2	-1.001	0.34	-1.665	-0.337	-1.971	.003
GAL x EMP	-0.774	0.19	-1.145	-0.404	-2.981	<.001
GAL2 x EMP	0.26	0.08	0.099	0.418	2.297	.002
MotMeas	0.36	0.04	0.283	0.442	0.438	<.001

**Dependent Variable: WEMeas**

In conjunction with the regression analysis, the means of work effort at each level of goal attainment was examined. As can be seen from Table 18, as the goal attainment level increases so does the work effort level with below goal work effort mean at 3.91, at goal of 4.05, and exceed goal of 4.27. Therefore, H3 is supported.

**Table 18 - Work Effort Means**

Goal Attainment Level	N	Mean	Std. Deviation
Below Goal	44	3.905	1.069
At Goal	246	4.053	0.651
Exceed Goal	102	4.271	0.665

### **Limitations**

A primary limitation to Study 2 was the context in which the participants answered the question regarding their variable compensation. To screen participants in Study 2, they had to respond to whether they currently or had ever been part of a variable compensation program in which their variable compensation was tied to a corporate financial goal. Because it was difficult to discern current and prior participation, there was a risk of their answers being influenced by the actual result, particularly if they were

prior participants. A second limitation, as in Study 1, was the participant pool. I believe this study would have garnered different results if it were administered in an organizational setting at different time intervals.



## CHAPTER V

### DISCUSSION

#### **Theoretical Implications**

This research seeks to make a theoretical contribution to organizational behavior literature explicitly focused on middle managers. I sought to build on research by Ilies and Judge (2005) and Higgins et al. (1997), where both sets of researchers had highly cited published works focusing on goal attainment level (feedback) as the independent variable and the impact it had on the individual. While these articles contained multiple studies, the research was conducted with student participants. I wanted to know what findings would be gleaned from examining the goal attainment level and its impact on the motivation of a particular group, middle managers.

My goal with this dissertation was to contribute to the literature on knowledge of goal attainment as an independent variable, focusing specifically on middle managers. The primary managerial contribution of this research is that organizations recognize that knowledge of goal attainment level matters, but its effect on motivation is not linear. Understanding this will help mitigate the potential negative impact on the MMs motivation and work intensity, particularly if they do not feel empowered to adjust their work activities to achieve the goal. The findings on motivation and work effort within the middle manager group were mixed. As seen in Study 2, when empowerment is used as a

moderator, it has the effect of ‘flattening’ out the curvilinear impact of goal attainment level on the middle manager’s motivation.

In addition, I contribute to empowerment literature, particularly with respect to the impact of empowerment on middle managers. Empowerment matters in an organization. However, saying empowerment or telling someone they are empowered is not enough.

My study found that, in general, managers who have high empowerment have higher motivation at each goal attainment level. However, the results were not overwhelming. In the Study 1 scenario survey, with the manipulation of goal attainment and empowerment levels, the results showed that highly-empowered managers have decreasing motivation when the goal has been exceeded. Yet, low-empowered managers have increased motivation when the goal has been exceeded. These results seemed counter-intuitive and ultimately did not support the hypothesis. Whereas, in Study 2, when managers with variable compensation plans responded to variables regarding their motivation, the results partially supported the hypothesis that empowerment level was a factor. These mixed results conclude that this study did support the hypothesis. Due to the mixed results from the two studies, I cannot confidently state that my findings support the overall hypothesis.

However, the impetus of this research was to understand middle managers better, how they react to knowledge of goal attainment levels on a goal they could not change, and what the role of empowerment plays in their motivation and work effort.

Specifically, this research was in response to Ilies and Judge’s (2005) call for future studies using research designs where goal attainment is manipulated. Their article

centered around goal attainment (feedback) and goal regulation within the individual and was conducted on large groups of students in management classes at a public university. My study extends the goal attainment literature by testing its impact on motivation for working managers, specifically when moderated by empowerment level. The influence of empowerment was an important finding in this research. In Study 2, when empowerment was evaluated as a moderator on the relationship between knowledge of goal attainment level and motivation, the results showed that the motivation means were consistently higher at each level of goal attainment. For example, when the goal attainment level was at exceed goal, the average motivation score for the highly-empowered middle manager was 4.4 (out of a 5-point scale) compared to 3.7 for low-empowered managers. Therefore, empowerment matters to managers. In testing this research with middle managers, I also contribute to Spreitzer and Quinn's (1996) study on "Empowering Middle Managers to be Transformational Leaders," and the significance of their role within organizations.

As one middle manager in the qualitative pilot study stated when asked about empowerment, "If you just want a grunt, you can hire a grunt. If you want teammates, you've got to empower them to make a decision." As such, it is not enough for an organization to tell someone they are empowered; they must show them they are empowered. Spreitzer and Quinn (1996) noted that organizations can fall into the trap of requiring middle managers to be empowered yet treat them in disempowering ways. This study tested the role of empowerment with middle managers and found that empowerment is important in their leadership roles.

## **Limitations and Future Research**

Multiple limitations can occur with this type of research. A primary limitation is in the data collection itself. Data collected for this study was obtained from an online third-party provider, with each participant earning \$3.00 for fully completing the survey. Data collected in this manner (paid for) can cause unavoidable variances in the results. The researcher relies on participants to be truthful that (1) they fully meet the screening requirements, and (2) they are willing to put a good faith effort toward completing the survey. Researchers cannot verify if the participants are the targeted audience for their research. Often, participants with these services speed through the surveys just to get paid, which results in limited attention to the purpose of the study. A recommendation for future research would be to test these hypotheses with a focused group of middle managers within a corporate environment.

Finally, a limitation of this research, as it relates to the impact of goal attainment levels, is that it surveyed a point in time and looked at a more historical view. Having the ability to test these hypotheses in a more real-time environment may generate different results. The recommendation would be to test middle managers' motivation and work effort, who have variable compensation tied to a corporate financial goal, at the beginning of a fiscal year, a second test mid-year, and a final test at the end of the year. At each testing level, the knowledge of the goal attainment levels would be made available to the middle managers.

## **Practical Implications**

Middle managers are a vital group of employees for an organization. They serve as the conduit between the executive leaders and the frontline workers and are responsible for the tactical execution of an organization's strategic goal. The better organizations can understand what motivates this critical group, the better their chances of attaining the strategic objectives will be. As a form of external motivation, companies have begun to include variable compensation as a form of incentive for the MMs.

Including this key management group in variable compensation programs is important for the organization and the MM group. Variable compensation is essential to middle managers from a monetary perspective and an inclusion and leadership perspective. When they understand the goal, own the goal, and feel they have the authority to do their part to achieve it, the result will most often be positive for both the organization and the middle manager. Hence, having variable compensation plans tied to a corporate goal for middle managers is advantageous for organizations.

When an organization includes middle managers in the variable compensation program tied to a corporate goal, the empowered MM will have higher motivation and work effort than the low-empowered middle manager. Therefore, empowerment matters. The more middle managers feel empowered in their position and that they can make changes needed to their area of responsibility, the more ownership they feel.

This research answers whether middle managers' knowledge of goal attainment impacts their motivation and work effort, specifically when empowerment is present. The results demonstrate the importance of empowerment in MMs work atmosphere. By

focusing on this key group within the organization, which senior and executive leaders heavily depend upon, more awareness by the senior leaders of what motivates this group will certainly enhance the organization's performance. This study shows that including variable compensation is an essential tool to motivate middle managers. When the variable compensation is based on a corporate financial goal, ensuring that the MM is aware of the status of the goal and, more importantly, that they have the appropriate level of empowerment to adjust their own or their teams' work activities is a crucial component to the success of completion of the corporate strategic goals.

However, while the MMs welcome variable compensation, empowerment is just as important. The more empowered they believe they are, the more motivated they become, which will trickle down to their direct and indirect reports.

In Study 2, where 392 middle managers with variable compensation tied to a corporate financial goal were surveyed, managers who knew the goal attainment level of the corporate goal *and* were highly empowered had a significantly higher average motivation (4.4/5.0) than managers with low empowerment (3.7/5.0). This resulted in an almost 18% increase in the average motivation level of these two groups. These findings indicate that when middle managers know the goal attainment level and are empowered to change their area of responsibility, they will become more motivated to work toward the organization's overall goal. Practitioners should interpret these results as confirmation that when middle managers have variable compensation and are empowered, they will perform higher than their counterparts. Therefore, organizations should consider including middle managers in the variable compensation program; however, inclusion alone will not motivate the middle manager; they must adequately empower them.

As a business professional with over 30 years of experience in private and public organizations, I often saw organizations acknowledging the importance of the MM group but not exactly “practicing what they preached.” While the success of this group is critical to organizations, this group can often be overlooked, both within organizations and in research. This study strives to aid organizations in better understanding how knowledge of goal attainment levels accompanied by empowerment will make the MM group a stronger force within the organization.

### **Conclusion**

The focus of this study was to better understand middle managers with variable compensation tied to a corporate financial goal and how they reacted to the knowledge of goal attainment levels. Does the mere knowledge of the results impact their motivation and work effort levels? Specifically, if they are not empowered to change their part of the organization, in Study 2, we saw that high empowerment raises the motivation level of the manager at all levels of goal attainment. This supports the theory that empowerment matters and that the importance of the organization’s empowering their middle managers will result in a more motivated group of employees with positive outcomes.

The goal of this research was also to assist organizations with middle managers. While this study returned mixed results, the findings show that there is no constant ‘norm’ with middle managers. Middle managers need the power to change their part of the organization to support corporate financial goals to which they have incentive compensation tied. I have seen many times when middle managers, who have variable compensation tied to a corporate financial goal, either lower their motivation levels once

the knowledge of the goal attainment level is known or due to lack of true empowerment, will reduce motivation because they do not feel they can impact the results.

Finally, middle managers are a complex group of essential employees. They are both subordinates and supervisors, and for organizations, it can be challenging to understand how they should be motivated and treated. The better an organization strives to understand, empower, and leverage middle management positions, the more successful I believe the organization will become. Middle managers are critical to the organization's success by ensuring that the tactical performance of the mid to low-level employees supports the company's goals.



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## APPENDICES



## APPENDIX A: SCENARIOS

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### Scenario 1: Below Target and Low Empowerment

Imagine that you work for a large general retail organization. You are the Director of your store's customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has not given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization's management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process.

**The store-level financial goal is based on the store's operating profit. The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store will not meet the target level for operating profit this year.**

As the Director of your store's customer service team, how would you respond to the following questions?

Please answer the following questions regarding your motivation and work effort to help the organization progress toward the corporate financial goal given the above facts.

---

### Scenario 2: Below Target and High Empowerment

Imagine that you work for a large general retail organization. You are the Director of your store's customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization's management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process.

**The store-level financial goal is based on the store's operating profit. The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store will not meet the target level for operating profit this year.**

As the Director of your store’s customer service team, how would you respond to the following questions?

---

**Scenario 3: At Target and Low Empowerment**

Imagine that you work for a large general retail organization. You are the Director of your store’s customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has not given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization’s management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process.

**The store-level financial goal is based on the store’s operating profit. The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store is on track to meet the target level for operating profit this year.**

As the Director of your store’s customer service team, how would you respond to the following questions?

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**Scenario 4: At Target and High Empowerment**

Imagine that you work for a large general retail organization. You are the Director of your store’s customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization’s management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process.

**The store-level financial goal is based on the store’s operating profit. The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store is on track to meet the target level for operating profit this year.**

As the Director of your store’s customer service team, how would you respond to the following questions?

-----

### **Scenario 5: Exceed Target and Low Empowerment**

Imagine that you work for a large general retail organization. You are the Director of your store's customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has not given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization's management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process. The store-level financial goal is based on the store's operating profit.

**The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store is far exceeding the target level for operating profit this year.**

As the Director of your store's customer service team, how would you respond to the following questions?

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### **Scenario 6: Exceed Target and High Empowerment**

Imagine that you work for a large general retail organization. You are the Director of your store's customer service team, leading a group of 20 first-level supervisors and hourly employees. From time to time, you or your employees identify changes in company policies that ought to be made. **The Vice President of Customer Relations has given you the authority to approve any policy changes that impact the customer service department at your store.**

Managers within the organization at the Director level and above participate in the organization's management incentive program (MIP). Your variable compensation is based on store financial goals set by regional leaders during the budgeting process.

**The store-level financial goal is based on the store's operating profit. The store has completed the first nine months of the fiscal year; corporate managers have shared with the management team that your store is far exceeding the target level for operating profit this year.**

As the Director of your store's customer service team, how would you respond to the following questions?

## APPENDIX B: MEASURED ITEMS

### **Motivation** (Kuvaas et al., 2017)

- The tasks that I do at work are themselves representing a driving force in my job.
- The tasks that I do at work are enjoyable.
- My job is meaningful.
- My job is very exciting.
- My job is so interesting that it is a motivation in itself.
- Sometimes I become so inspired by my job that I almost forget everything else around me.
- If I am supposed to put in extra effort in my job, I need to get extra pay.
- It is important for me to have an external incentive to strive for in order to do a good job.
- External incentives such as bonuses and provisions are essential for how well I perform my job.
- If I had been offered better pay, I would have done a better job.

### **Work Effort** (Kuvaas & Dysvik, 2009)

- I try to work as hard as possible.
- I intentionally expend a great deal of effort in carrying out my job.
- I often expend extra effort in carrying out my job.
- I almost always expend more than an acceptable level of effort.
- I usually don't hesitate to put in extra effort when it is needed.

### **Empowerment** (Spreitzer, 1995)

#### **Meaning:**

- The work I do is very important to me.
- My job activities are personally meaningful to me.
- The work I do is meaningful to me.

#### **Competence:**

- I am confident about my ability to do my job.
- I am self-assured about my capabilities to perform my work activities.
- I have mastered the skills necessary for my job.

#### **Self-Determination**

- I have significant autonomy in determining how I do my job.
- I can decide on my own how to go about doing my work.
- I have considerable opportunity for independence and freedom in how I do my job.

**Impact:**

- My impact on what happens in my department is large.
- I have a great deal of control over what happens in my department.
- I have significant influence over what happens in my department.

**APPENDIX C: SUCCESSFUL DEFENSE**

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CWID: A20193732

Dissertation Approved: **THE INFLUENCE OF GOAL ATTAINMENT  
LEVEL AND EMPOWERMENT ON  
MOTIVATION AND WORK EFFORT INTENSITY  
OF MIDDLE MANAGERS**

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VITA

Reba L. McDermott

Candidate for the Degree of

Doctor of Philosophy

Thesis: THE INFLUENCE OF GOAL ATTAINMENT LEVEL AND EMPOWERMENT ON MOTIVATION AND WORK EFFORT INTENSITY OF MIDDLE MANAGERS

Major Field: BUSINESS ADMINISTRATION

**Biographical:**

**Education:**

Completed the requirements for the Doctor of Philosophy in Business Administration at Oklahoma State University, Stillwater, Oklahoma in December, 2022.

Completed the requirements for the Master of Business Administration in Finance at the University of Texas, San Antonio, Texas, in 2005.

Completed the requirements for the Bachelor of Science in Accounting at Virginia Commonwealth University, Richmond, Virginia in 1998.

Completed the requirements for the Bachelor of Science in Marketing at the University of Arkansas, Fayetteville, Arkansas in 1989.

**Experience:**

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Feb. 2018—Aug. 2021	Chief Financial Officer, DeWafelbakkers
2010—2018	Division Corporate Controller, Corning, Inc.