

From Strategy to Action: Transforming Organizational Goals into Organizational Behavior

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The purpose of this paper is to develop a conceptual model to explain and predict how organizational goals are transformed into organizational behavior. Using the theory of action phases as the overarching framework to explain how organizations and employees commit to goals and successfully pursue them, in conjunction with self-determination theory to explain the development of goal commitment at the individual level, a motivational model of organizational goal pursuit is proposed. This model takes into consideration mission and strategic goal development, organizational-level implementation intentions in the form of strategic plans and dynamic capabilities, individual goal internalization, and implementation plans at the individual level. These goal phases are proposed to be affected by the attraction, selection, socialization and management of organizational members. The model can serve to develop knowledge in the area of behavioral strategy by integrating motivational considerations into strategic management models.

Introduction

A conceptual model to explain how organizational goals translate into organizational behavior was developed. It draws heavily on human motivation theories, as many of them predict goal attainment and have informed practice in many life areas, such as education, sport, behavioral health and work (e.g. Dweck and Leggett 1988; Elliot and Church 1997; Heckhausen and Gollwitzer 1987; Locke and Latham 1990; Ryan and Deci 2017; Vroom 1964). Among these theories, Heckhausen and Gollwitzer's (1987) theory of action phases served as the overarching framework, as it helps understand how organizations and employees develop goals, commit to them, and successfully pursue them. Within these goal phases, self-determination theory (Deci and Ryan 1985) was used to explain the development of individual goal commitment. More theories could be added, but these two motivation theories offer a parsimonious and compelling model that can help organizations manage their goal-setting processes and their employees'

pursuit of organizational goals. The theory of action phases proposes phases of goal pursuit, making it more comprehensive than goal-setting theory (Locke and Latham 1990) and expectancy theory (Vroom 1964), which focus almost exclusively on the implementation phase of goal pursuit. Self-determination theory offers useful psychological processes to help understanding of goal internalization and factors that can influence it, namely need satisfaction, that other theories, such as achievement-goal theories (Dweck and Leggett 1988; Elliot and Church 1997), do not provide. To make the model practicable, suggestions for testing it are proposed together with suggested interventions to assist organizations in setting organizational goals and ensure employees are pursuing them.

Model development

The proposed model focuses on the management and exploitation of a particular intangible organizational resource, human motivation. It borrows from several

Table 1. Concept definitions

Concept	Definition	Level	Focus	Equivalent concepts
Goal	End state not yet attained and focused on attaining	General	General	
Goal pursuit	Actions taken to attain a goal	General	General	Strategy
Strategy	Theory about how to gain competitive advantage held by an organization	Organizational	What and why	Goal pursuit
Deliberation	The process of choosing a goal	General		Mission; strategic goals; goal internalization
Implementation intention	If-then plans to pursue a chosen goal	General	How	Strategic plan; dynamic capabilities; implementation plan
Organization	Coalition of interdependent stakeholders who need to coordinate their efforts through communication	Organizational		Can also apply to teams
Organizational goal	End state an organization wishes to attain	Organizational	General	Goal
Mission	An organization's purpose	Organizational	Why	Deliberation; superordinate goal; sensing
Strategic goals	Clear and specific sub-goals meant to achieve the mission (also referred to as vision)	Organizational	What	Deliberation; subordinate goal; official goal
Strategic plan	Specific plans that explain how strategic goals are pursued	Organizational	How	Implementation intention; operational goal; organizational planning
Dynamic Capability	Strategic routines by which firms achieve new resource configurations	Organizational	How	Implementation intention; seizing and transforming
Goal internalization	Taking in an external goal and making it one's own	Individual	What and why	Deliberation; interest alignment
Implementation plan	If-then plans to pursue a personal goal	Individual	How	Implementation intention

fields, including strategic management, human resource management, organizational behavior and social psychology, to elaborate on how goals are set and pursued at the individual and organizational levels. The model complements strategic management theories, such as the behavioral theory of the firm (Cyert and March 1963), the resource-based view of the firm (Barney 1991; Wernerfelt 1984), agency theory (Jensen and Meckling 1976) and the dynamic capabilities theory of the firm (Teece 2007; Teece *et al.* 1997), in two ways. First, it explains how individuals appropriate organizational goals and how this influences their behavior at work. Second, it uses different assumptions about what motivates human beings. In addition, this model extends organizational behavior models by elaborating on how employee motivation translates into dynamic capabilities in organizations, using insights from social psychology and strategic management.

The model follows Coleman's (1990) 'bathtub' model in which a social context (organizational goals) influences individual conditions (motivation), which in turn influence individual action, which influence social outcomes (organizational success). The model also fleshes out Ployhart and Hale's (2014) framework, which links strategy and psychology,

by zooming into the motivational underpinnings of individual performance that link back into organizational performance.

The very existence of the field of strategic management highlights the importance placed on organizational goals for organizational success. From advocating for a sound strategy (Porter 1979) to having valuable and rare resources (Barney 1991) and developing dynamic capabilities to create appropriate resources (Teece *et al.* 1997), the focus has remained very much at the organizational level, without much consideration of how organizational goals influence employee behavior. More recently, a microfoundations movement has brought these behavioral issues to the forefront of strategy realization (Felin *et al.* 2015). The model presented herein fits into this movement, as it focuses on how we go from strategy to action, and how action leads to strategy realization. It deals with both multilevel issues and with the need to bring individuals back into the strategy process (Felin *et al.* 2015).

An organization is herein defined as a coalition of stakeholders (Cyert and March 1963), which can include (but is not limited to) investors and owners, as well as employees and clients (see Table 1 for concept definitions). Borrowing from agency theory

(Jensen and Meckling 1976), the model focuses on principals and agents, defined respectively as organizational members who set organizational goals and typically control many of the organization's resources (e.g. owners, investors, executive boards) and those who pursue them (e.g. managers, employees) using these organizational resources. This view is simplistic, given the plethora of organizational and governance structures that exist, but facilitates the development of a conceptual model that can be adjusted to fit particular organizational forms. Finally, a goal is defined as an end state (in the form of a mental representation) that a person or organization has not yet attained and is focused on attaining in the future (Moskowitz 2012). A goal consists of both cognitive and motivational properties (Kruglanski *et al.* 2002), and the current model focuses particularly on its motivational properties. This definition is consistent with those of strategic management and psychology theories, such as the behavioral theory of the firm (Cyert and March 1963) and goal-setting theory (Locke and Latham 1990). At the individual level, meta-analytic findings have shown that simply adopting a goal accounts for 28% of the variance in goal-directed behavioral engagement (Sheeran 2002). However, fewer than 40% of people who set personal goals, such as New Year's resolutions, reach them (Norcross *et al.* 1989). The model addresses how organizations can ensure that employees work and coordinate their actions to reach organizational goals.

Following Chan's (1998) composition model, the proposed model considers the characteristics and influence of goals at two levels of analysis (organizational and individual levels), though unit and team levels could subsequently be added in future extensions of the model. We could assume that similar processes described for cross-level influence in the current model would apply to the emergence of team-level effects as well, though this remains to be tested empirically. We need the concept of shared cognition to understand that organizational goals are shared by different individuals (Gibson 2001), and that the existence of organizational goals becomes independent, once they are set by principals, from what has given rise to them (Morgeson and Hofmann 1999). Thus, organizational goals are created out of individual goals (the principals involved in organizational goal setting) and out of interactions between these individuals. In turn, organizational goals affect subsequent individual and team goal setting and pursuit (Barley 1986).

A motivational model of organizational goal pursuit

Figure 1 depicts the proposed motivational model of organizational goal pursuit. The outcome of interest is the realization of organizational goals (i.e. mission attainment). Desired organizational outcomes vary by type of organization. In for-profit organizations, goal attainment is often measured through production, inventory control, sales, service quality, market share, customer loyalty and, of course, profits (Cummings and Worley 2015). Not-for-profit organizations, including government, health and education-related organizations, often have cost-containment, sustainability, client satisfaction and value-related goals (e.g. environmental protection, literacy, animal welfare, promoting health; Cummings and Worley 2015). More and more, organizations explicitly adopt corporate social responsibility goals, such as sustainable development, health and societal welfare (including employee welfare; McWilliams and Siegel 2001). Finally, some organizations, such as family firms, have been shown to also adopt socioemotional and longevity goals (Gómez-Mejía *et al.* 2007). All of these outcomes are subsumed under mission attainment in the model.

Organizational goal pursuit

As illustrated in Figure 1, mission attainment is determined partly by the soundness of the goals that are set by the organization and by the dynamic capabilities that emerge out of individual-level outcomes, which also directly influence mission attainment. In this section, the focus is on organizational-level goal setting.

Rarely will organizations pursue a single goal and, in the same way as for individuals, an organization's goals are interconnected, forming a goal system (Kruglanski *et al.* 2002). In a goal system, some goals sit at a higher level of abstraction (superordinate, reflecting the 'why'), while others may be more concrete (subordinate, reflecting the 'what'), together forming goal hierarchies (Kruglanski *et al.* 2002). In organizations, those are often referred to as the mission and the strategic goals, respectively (Barney and Hesterly 2015). Goals 'compete' for a constant sum of limited resources, as is argued in the resource-based view of the firm (Barney 1991). However, it is possible within a goal system to have goals that support each other, such that the pursuit

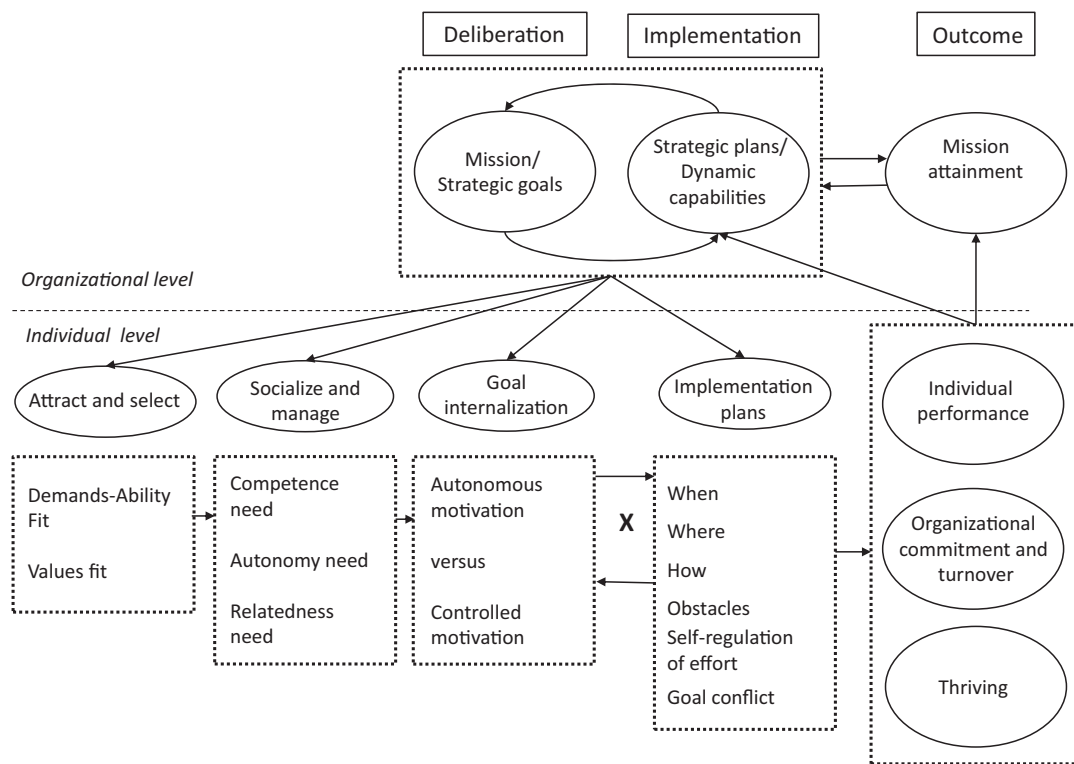


Figure 1. A motivational model of organizational goal pursuit

of one goal facilitates the pursuit of another (multifinality; Kruglanski *et al.* 2002). When organizations increase multifinality between goals, they are more likely to attain more goals and consequently be more successful. This is compatible with the dynamic capabilities view of the firm (Teece *et al.* 1997), which specifies how organizations create capabilities through looking at how internal resources interact.

However, goals can conflict with one another, which implies that what needs to be done to pursue one goal is incompatible with what needs to be done to pursue another goal, resulting in thwarting progress on one goal or the other (Kruglanski *et al.* 2002). An example of a well-known organizational goal conflict happens in family businesses. Family businesses often have socioemotional wealth goals (i.e. the goal to maintain quality relationships between family members) as well as profit-driven goals, and it has been found that socioemotional wealth goals sometimes make members act in ways that help attain these goals to the detriment of profit goals (Gómez-Mejía *et al.* 2007).

Heckhausen and Gollwitzer's (1987) theory of action phases was used to explain further how organizational goal systems are selected and pursued.

Starting from evidence showing that being committed to a goal is insufficient to ensure goal achievement, Gollwitzer (2015) argued that having implementation intentions (if-then plans) greatly facilitates goal achievement. The theory of action phases (Heckhausen and Gollwitzer 1987) distinguishes between deliberating which goals to pursue and planning the implementation of chosen goals as being two different goal stages that require different mindsets. In the motivational model of organizational goal pursuit, the goal pursuit process is divided accordingly across two levels, organizational and individual, and in two stages, deliberation (i.e. what and why) and implementation (i.e. how). The deliberation stage is referred to as 'mission/strategic goals' at the organizational level and as 'goal internalization' at the individual level, while the implementation stage is referred to as 'strategic plans/dynamic capabilities' at the organizational level and as 'implementation plans' at the individual level.

What is labelled 'goal pursuit' in social psychology is generally labelled 'strategy' in the field of strategic management. An organization's strategy is generally understood to be the organization's 'theory' about how to gain competitive advantage, and

consists of these same two stages of goal pursuit, namely 'what to do' and 'how to do' (Drucker 1994). The theory of action phases also shares some common ground with the dynamic capabilities theory of the firm (Teece 2007; Teece *et al.* 1997), in which organizations are meant to 'sense' (i.e. to search and reflect about what they want to do, therefore deliberate), as well as 'seize' and 'transform' (i.e. find ways to pursue their goals, therefore form implementation intentions). The distinction between goal deliberation and implementation intentions is also similar to a distinction between official and operative organizational goals (Perrow 1961), and is also compatible with the strategic management process described in many strategic management textbooks (e.g. Barney and Hesterly 2015), which differentiates between a mission and strategies to fulfill the mission (see Table 1 for concept definitions).

Organizational goal deliberation. When individuals deliberate about which goals to pursue, they often take into consideration the desirability of each goal as well as the feasibility of attaining each of them (Lieberman and Trope 1998). Interestingly, when people feel they have time to pursue goals, they tend to choose goals they find more desirable. However, as time becomes tight, they tend to choose goals using feasibility considerations (Lieberman and Trope 1998). This is explained by considering that desirability represents goal construal at a higher level (superordinate), whereas feasibility represents goal construal at a lower level (subordinate). Similarly in strategic management, superordinate goals are often described as the mission, with desirability characteristics, while subordinate goals are described as strategic goals, with feasibility characteristics (Barney and Hesterly 2015). Together they form a goal system at the organizational level dealing with the 'what' and 'why' of organizational goal pursuit. Those who decide which organizational goals will be pursued should therefore be aware of how perceptions of time affects goal setting. The mental contrasting method helps decision-makers to set goals that are both desirable and feasible and consists in 'contrasting a desirable future with impeding reality' in order to 'turn the desired future into something to be achieved and reality into something to be changed' (Oettingen 2000, p. 104).

Determining the desirability and feasibility of goals is very compatible with goal-setting theory (Locke and Latham 1990), which advocates the formulation of goals that are specific and challenging.

Having a specific and measurable goal, as opposed to a vague goal, facilitates the evaluation of its feasibility. Making the goal challenging, though it may decrease feasibility, makes the goal more desirable (i.e. inspiring and stimulating). Having realistically challenging goals, which means to match difficulty with capability, has indeed been shown to be more motivating (Csikszentmihályi 1996). This view is also compatible with expectancy theory (Vroom 1964), which specifies that motivation increases as a function of both the belief that one can do something (expectancy or feasibility) and the belief that one will get something valuable as a result (instrumentality or desirability). Therefore, organizational goals should be specific and appropriately challenging, taking into consideration organizational resources and capabilities.

Organizational goal implementation. At the organizational level, though strategic plans fit the definition of an implementation intention (i.e. specifying how to pursue a goal), dynamic capabilities are arguably crucial to organizational goal attainment because they are more adaptive in a changing environment and make use of an organization's assets. Dynamic capabilities are 'strategic routines by which firms achieve new resource configurations' to deal with dynamic environments (Eisenhardt and Martin 2000, p. 1107) and are a function of 'the nature of the individuals involved and the aggregate and emergent outcomes of their interactions' (Felin 2012, p. 283). In the context of considering individual motivational processes as a potential source of dynamic capabilities, the concept of dynamic capabilities fits well the idea that 'the people make the place' and that 'organizations are functions of the kinds of people they contain' (Schneider 1987, p. 437).

The model consequently acknowledges that the 'how' of goal pursuit at the organizational level can be done deliberately through strategic plans or can emerge as dynamic capabilities, depending on structural and environmental considerations (Mintzberg 1983). For example, in an organization structured more mechanistically, it is expected that explicit strategic plans are more likely to drive mission attainment, as a clear chain of command, centralization, routinization and formalization would be less likely to foster bottom-up emergence of dynamic capabilities. The opposite would be true in organic structures, characterized by fluid information exchange, decentralization and less routinization and formalization (Felin and Powell 2015).

Implementation intentions are critical to individual goal attainment, as people sometimes struggle to know how, when and where to start their goal pursuit, struggle to deal with obstacles and setbacks, and even struggle to abandon unattainable goals (Gollwitzer 2015). Take for example, the goal to write a research article. I can intend to write an article, yet things get in the way. Unless I plan specifically when and where I will write the article and determine what I need to get it done (e.g. access to literature, blocks of time), it is unlikely to get written. In addition, unless I plan in advance how to deal with 'distractions' that will lure me away from working on my goal, such as emails needing a response, administrative issues that arise in my job as head of department, and child sickness, the article will never get written. Indeed having implementation intentions improves individual goal attainment with a medium to large effect size of $d = 0.61$ (Cohen 1992; Gollwitzer and Sheeran 2006), just as strategic plans have been shown to significantly influence the financial success of businesses (Schwenk and Shrader 1993).

The other interesting advantage of having implementation intentions is that they make behavior more 'automatic', thus requiring less self-control (Webb and Sheeran 2003). It can therefore serve as a means to conserve resources and energy. At the organizational, team, and individual levels, implementation intentions could make organizational behavior more automatic through the creation of norms, rules, processes and shared cognitions. Finally, implementation intentions have been shown to facilitate goal disengagement when goal attainment becomes unlikely, thereby reassigning precious resources to more attainable goals (Brandstatter and Frank 2002). In short, strategic plans and dynamic capabilities, as forms of implementation intentions, hold several advantages for organizations (Miller and Cardinal 1994; Pearce *et al.* 1987).

During deliberation, people tend to have an open mindset, leading to a thorough search for goals and to the consideration of the pros and cons of different goals. Once goals have been adopted, however, people tend to adopt a closed mindset, focusing their attention and behavior on goal achievement (Parks-Stamm *et al.* 2007). In short, once people form implementation intentions, their attention is drawn towards cues that are relevant to goal attainment away from irrelevant cues. This narrowing of focus helps people behave in ways that lead to goal achievement. However, people can narrow their attention to the point of causing problems, such as neglecting other

potentially important work activities, neglecting to help others and collaborate with them, engaging in unethical behavior, and even decreasing intrinsic motivation (Ordonez *et al.* 2009).

In addition, succeeding on a sub-goal within a goal hierarchy can either motivate or demotivate people to work on other related sub-goals: Focusing on the superordinate goal makes them perceive success on sub-goals as mutually enhancing attainment of the superordinate goal, whereas focusing on sub-goals makes them see success on sub-goals as substitutable for reaching the superordinate goal (Fishbach *et al.* 2006). It is therefore important to ensure people do not become too narrowly focused on specific sub-goals at the expense of other activities that would help the organization achieve its overall organizational goals. Frequent goal-setting reviews can help employees see the forest for the trees. In fact, goal deliberation and goal implementation can affect one another (reflected in the recursive arrows between mission/strategic goals and strategic plans/capabilities emergence in Figure 1). The degree to which a person or organization commits to a goal will not only influence how much effort goes into the implementation plans, but also speed up the processing of goal-relevant information (Aarts and Dijksterhuis 2000). Equally important is the fact that having several alternative or contingency plans to pursue a goal (called equifinality; Kruglanski *et al.* 2002) increases goal commitment (Mahler 1933).

So far, there has been no research on how implementation intentions can be applied at a strategic organizational level. However, there has been some research on how they can be applied to teams in organizations (see Thürmer *et al.* 2015, for a review). Returning to the idea that an organization (like a team) is essentially a coalition of interdependent individuals who need to coordinate their efforts through communication, we could envisage that implementation intentions could help facilitate communication and coordination. It is what an organizational strategy is meant to do: align (coordinate and integrate) the efforts of the different parts of the organization towards the attainment of a common goal (Cummings and Worley 2015). Indeed, forming implementation intentions to work collaboratively promotes team performance, and it is also possible for teams to form team level ('we') implementation intentions (Wieber *et al.* 2013). Moreover, having implementation intentions to deal with the timing of initiated action by different team members has also been shown to help groups of schoolchildren work more effectively

on interdependent group tasks (Wieber *et al.* 2015). Thürmer and colleagues (2015) also demonstrated that, when teams (in a laboratory experiment) were given implementation intentions to verify whether all individual information had been shared before making a decision, they made higher-quality decisions.

Based on these findings, it would be worth considering how organizations can best craft strategic plans or develop dynamic capabilities to ensure they are aware of what is required (e.g. material and informational resources) to reach organizational goals, how to obtain these resources, how information should be dealt with, and how to forecast potential obstacles (e.g. competitors) and come up with solutions (e.g. changing means or changing goals). This is, of course, already happening at varying levels across different organizations, more or less consciously. But systematizing the process could potentially improve mission attainment.

This approach aligns well with the dynamic capabilities view of the firm (Teece 2007; Teece *et al.* 1997), developed to address the responsiveness and learning capabilities of businesses to changing internal and external environments. It is also highly compatible with the planning model of Mumford *et al.* (2002), which delineates many structural and cognitive processes by which individuals, groups and organizations select goals and plan their pursuit. Indeed, organizational planning leads to significant improvements in organizational performance (Mumford *et al.* 2002). Organizational planning has been defined as planning the organization or chunking activities involved in goal attainment in order to enhance efficiency and direct action (Mumford *et al.* 2002). Mumford *et al.* (2002) delineate a process of goal selection and planning development that complements the one presented herein, by focusing on more structural and cognitive factors that influence goal selection and pursuit. The concept of implementation intentions in the current model allows us to break down the planning process into even more concrete steps, while motivational processes allow us to forecast how people react to the setting of organizational goals and strategies.

In short, careful deliberation over the choice of organizational goals, and having a sound strategy to pursue them (strategic goals and strategic plans/dynamic capabilities), should enhance the attainment of organizational goals. However, for strategic plans and dynamic capabilities to facilitate effective goal pursuit at the individual level, individuals must accept

the mission and strategic goals (Thürmer *et al.* 2015). This is where self-determination theory comes in.

Goal internalization

It is one thing for organizational leaders to set organizational goals, but another to convince their employees to pursue them. Assumptions about human motivation change many things when it comes to managing employees. If you assume that employees are only motivated if a carrot is attached to working, you need to monitor their behavior, measure their performance and provide incentives to ensure that organizational goals are attained. However, if you assume that employees can be self-motivated, you need to set up a work environment that will nurture this internal motivation. It leads to a completely different way of managing.

Agency theory (Jensen and Meckling 1976) specifies that principals can get agents to pursue the principals' goals by providing them with incentives and putting control mechanisms in place. Other management theories that follow the same motivational principles include Vroom's (1964) expectancy theory, whereby it is proposed that effort should be linked to a valued reward, and Lawler's (1990) high performance work system, which includes linking pay to performance. All of these theories and models assume that motivation comes from without. An exception is stewardship theory (Davis *et al.* 1997), which assumes that agents (CEOs and executives) have the sake of the organization at heart and will act to benefit the organization if sufficiently empowered to do so. This theory, however, does not specify the psychological mechanisms involved in such 'internalization' of organizational or 'collective' goals (i.e. it does not specify why empowerment would lead to adopting organizational goals), and has focused exclusively on the goals of CEOs and executives, considered as 'agents' in this work. In the current model, the internalization process is explained, and agents include anyone in the organization who is in a position to 'receive' organizational goals, all the way down to the lowest hierarchical levels. In other words, the current model explains how stewardship work, and it does so using self-determination theory (SDT; Deci and Ryan 1985). Self-determination theory assumes that human beings are inherently motivated and are growth oriented. It is a motivation theory that has now received over 45 years of empirical support using experimental, field correlational, and even neuropsychological methods (Ryan and Deci 2017). Self-determination

theory fills the gap in stewardship theory, which has used concepts such as intrinsic motivation and organizational identification, by explaining how to promote these psychological states through the concepts of internalization and need satisfaction.

Self-determination theory (Deci and Ryan 1985; Gagné and Deci 2005) proposes that people put effort into their work for different reasons. They are intrinsically motivated when they do their work out of interest and enjoyment and they are extrinsically motivated when they do their work for more instrumental reasons. Instrumental reasons can vary with consequences for performance and well-being. Doing something to obtain a reward or avoid a punishment controlled by other people (external regulation) or to avoid feeling ashamed (introjected regulation) has been shown to lead to lower levels of performance at work and to lower well-being, while doing something because it is judged to be important and meaningful, yet not enjoyable (identified regulation), leads to better performance and well-being as much as intrinsic motivation does (Howard *et al.* 2016). Identified and intrinsic motivation (together labeled autonomous motivation) have been shown to be particularly useful in enhancing performance on complex tasks and tasks that require learning, persistence and creativity, relative to controlled motivation (i.e. external and introjected regulation; Amabile 1996; Vansteenkiste *et al.* 2004), and they have been shown to foster affective organizational commitment (Gagné *et al.* 2008).

The concept of internalization is used in SDT to understand how extrinsic motivation can become autonomously motivated. This concept comes from developmental psychology and is defined as the taking in of values and goals as your own, so that they become self-regulated (Ryan 1995). When organizations need their employees to engage in work behaviors they do not find enjoyable (e.g. writing a report), SDT would advocate fostering the internalization of the value of the task, instead of monitoring and incentivizing the task through monetary rewards. Gottschalg and Zollo (2007) refer to this as interest alignment.

Experimental and field research shows that internalization can be fostered through providing support for three psychological needs (e.g. Deci *et al.* 1994, 2001). For human beings to be intrinsically motivated and to internalize the value of important activities, they need to feel competent, autonomous and related to others around them (Deci and Ryan 2000). In other words, employees need to feel they are able to do

their work tasks, they need to feel some choice in how to approach the tasks, and they need to have good quality relationships with colleagues, in order to be autonomously motivated at work. Among other candidate psychological needs, such as self-esteem and status, competence, autonomy and relatedness were most strongly associated with well-being and motivational outcomes across cultures (Sheldon *et al.* 2001). A large body of research across different life domains (e.g. work, education, sport) supports the proposition that these three needs are important to foster autonomous motivation, performance and well-being (Ryan and Deci 2017). In the work domain, need satisfaction has been associated with numerous positive outcomes, including work performance, organizational commitment, employee retention and thriving (Van den Broeck *et al.* 2016), in other words, all the individual outcomes deemed important in the proposed motivational model of organizational goal pursuit.

From attracting to managing employees for mission attainment

When attracting, selecting, socializing and managing employees, one must therefore think about how to satisfy these psychological needs.

Competence. Several things can be done to satisfy the need for competence. First, attract and select employees for skills they bring to particular jobs. A good match between a person's abilities and the demands of the job fosters the satisfaction of the competence need (Greguras and Diefendorff 2009). Properly craft recruitment messages that attract people with the right skills and select based on appropriate criteria. Once selected, communicate organizational goals and train people on how the organization wants them to achieve these goals. Indeed, socialization and training that increase employee self-efficacy and clarify work roles have been shown to foster autonomous motivation and organizational commitment (Bauer *et al.* 2007; Dysvik and Kuvaas 2014).

Thirdly, provide employees with feedback on their performance. Telling people how well they are doing, how they are progressing on their work goals, and what they could do differently fosters intrinsic work motivation and performance (Gagné *et al.* 1997; Humphrey *et al.* 2007). Also inform employees about progress on organizational goals. Research on individual goal pursuit indicates when to focus on what has been accomplished and when to focus on what

remains to be done. When one first starts pursuing a goal, any progress (what has been accomplished so far) will be highly motivating. However, as time passes, satisfaction with progress yields diminishing returns, as it makes people feel complacent over time. So in later stages of goal pursuit, focus on what remains to be achieved to maintain motivation (Carver and Scheier 1999; Fishbach *et al.* 2009).

Two caveats to these recommendations come from research on multiple goal pursuit. First, people can interpret feedback as indicating that everything is well, and this sometimes makes people 'slack off'. Indeed, goal commitment (or desirability) and progress interact in surprising ways. When people make progress on goals they are committed to (i.e. have internalized), they tend to switch to working on another goal, whereas progress on goals people are less committed to increases their efforts towards those goals. When people do not progress on committed goals, they put resources into them, whereas when they do not progress on uncommitted goals, they tend to abandon them (Fishbach and Dhar 2005; Koo and Fishbach 2008; Louro *et al.* 2007). Second, when people pursue multiple goals, as is often the case in a job, it helps to make people perceive their goals as complementary as opposed to being in competition. It makes people balance their regulatory efforts across goals in more efficient ways (Fishbach and Zhang 2008).

Two more things can influence feelings of competence. First, for a goal or task to increase feelings of competence, it cannot be too easy or too difficult to attain. For a task to be intrinsically motivating, the difficulty of the task must be slightly above a person's current mastery or ability level (Csíkszentmihályi 1996), just as organizational goals should be feasibly desirable. Finally, ensure employees have the resources they need to work on tasks, otherwise they will not feel that they have control over progress and outcomes. This is why strategic plans need to include the provision of necessary resources.

Autonomy. Feeling autonomous means having an internal perceived locus of causality (deCharms 1968), that is, feeling volitional in task engagement. To accomplish this, organizations need to communicate their goals in a way that will make the goals personally relevant and meaningful to employees. Organizations must know what employees personally value and link organizational goals to these values. Ensuring values fit during recruitment and selection and communicating organizational goals in a relevant and meaningful manner will foster employee

internalization of organizational goals, thereby increasing their autonomous work motivation (Greguras and Diefendorff 2009).

Though employees generally understand (if the above guidelines are used) why specific tasks need to be accomplished at work, the degree of discretion they have in how to accomplish these tasks will impact their autonomous motivation. Monitoring and surveillance (including electronic monitoring), for example, have been shown to make people feel less autonomous (Enzle and Anderson 1993; Gagné and Bhavé 2011). In work design models, job autonomy is often split into different components, including the autonomy to decide on task prioritization or scheduling, autonomy on work methods, and autonomy on how to assess performance (Breaugh 1985; Morgeson and Humphrey 2006).

Many scholars have also advocated the use of participative management, which can take many forms, including involving employees in making decisions about how they execute their work, how work is designed and monitored, how organizational and individual goals are set, how problems are solved, and how change is managed (Hackman 1986; Sashkin 1976). Employee participation in organizational change processes increases acceptance of organizational change (Sagie *et al.* 1995), and it was shown that this happens because it makes employees feel more autonomous (Gagné *et al.* 2000). Overall, participative management leads to better individual performance and well-being because it increases feelings of autonomy (Gagné and Bhavé 2011).

Autonomous work groups are used as a special way to structure participative decision-making, as they provide members with more control, stimulation, responsibility and social interactions (Wall *et al.* 1990), providing support for competence, autonomy and relatedness (Gagné and Bhavé 2011). Autonomous work groups typically do not have a supervisor and have the authority to select and train members, allocate work among members and organize schedules, acquire resources to do the work, solve problems, deal with stakeholders, and monitor performance (Kemp *et al.* 1983). Autonomous work groups set goals and strategies for themselves that need to be aligned to the organization's goals and strategies. This seems to be happening quite naturally in autonomous work groups, as members were more likely not only to understand organizational goals, but also to internalize them in a way that changes the way they approached their organizational role (Parker *et al.* 1997).

Giving people choice does not mean letting them do what they want. Not only do organizational goals need to be attained, but in certain types of jobs, strict rules need to be followed (e.g. emergency work). To ensure employees endorse organizational goals, rules and procedures as their own, organizations can give people a good rationale as to why a goal, rule or procedure is important. Articulating why a particular goal was set by the organization, and what the outcome of reaching this goal will be for the organization and other stakeholders, including employees, is crucial for employees to internalize the value of organizational goals. Indeed, giving a meaningful rationale for engaging in a boring task, accepting organizational change and following safety regulations significantly enhances autonomous motivation towards these activities (Burstyn *et al.* 2010; Deci *et al.* 1994; Gagné *et al.* 2000).

Relatedness. The need for relatedness can be satisfied through fostering high-quality relationships at work. This means first to feel understood and accepted by others (Baumeister and Leary 1995). For this to happen, people need to show empathy for one another and take each other's perspective when discussing work matters. Indeed, acknowledging a person's feelings enhances internalization of the value of a boring task (Deci *et al.* 1994). Relatedness also means working with trustworthy people, which means working with people who are competent to do their work, who act with integrity and who have others' welfare at heart (benevolence; Mayer *et al.* 1995). Finally, relatedness means feeling a sense of connection or intimacy with at least a few key people at work. Work can be designed and organized in a way that fosters relationship building, for example through team work, task interdependence, physical proximity and the chance to interact with stakeholders (task significance; Morgeson and Humphrey 2006). Meetings and social events can also help satisfy relatedness needs, though they need to be meaningful and useful in accomplishing work as well. Finally, fostering co-operation instead of competition will also foster trust and relatedness (Gagné and Forest 2008).

Integrating the why with the how at the individual level

By fostering the satisfaction of the psychological needs for competence, autonomy and relatedness at work through the means described above, organizations increase the chance that employees will

internalize organizational goals and make them their own in a way that is meaningful to them (i.e. adopt personal goals that are aligned with organizational goals and identify with them). This takes care of the goal deliberation process at the individual level (labeled goal internalization in Figure 1). The next step is for employees to forge implementation intentions for their personal work goals. Just as is the case at the organizational level, adopting explicit implementation plans to pursue personal goals has been shown, through the large body of work behind Heckhausen and Gollwitzer's (1987) theory of action phases, to significantly improve goal attainment across multiple life domains. Indeed, a meta-analysis showed an overall effect of implementation intentions on goal attainment of $d = 0.65$, considered moderate to large (Cohen 1992; Gollwitzer and Sheeran 2006). In contrast, having autonomous motivation to pursue personal goals (i.e. pursuing them out of meaning and interest) not only increases the odds of attaining them, but also to feel more satisfied with goal attainment (Sheldon and Elliot 1999; Sheldon and Kasser 1998). The effect size across studies for this effect was $r = 0.20$, therefore small to medium (Koestner *et al.* 2008).

Most interesting is the finding that, when one combines both the why and the how, that is, having both autonomous motivation towards personal goals and implementation intentions for those goals, it synergistically increases the chance of goal attainment (Koestner *et al.* 2002, 2008). Koestner and colleagues argue that having autonomous reasons gets people to prepare their goal pursuit better through forging implementation intentions. Koestner *et al.* (2006) also showed that supporting the three psychological needs fostered autonomous goal motivation, yielding similar synergistic effects with implementation intentions. Based on these findings, an interactive effect between goal internalization and implementation intentions at the individual level is portrayed in Figure 1. It would be interesting in the future to see whether these interactive effects would hold also at team and organizational levels.

Individual outcomes

The outcomes of individual goal internalization and the development of implementation intentions include individual performance, as well as the development of commitment to the organization, which affects turnover intentions, and finally individual thriving.

Individual performance on the job is conceptualized as the attainment of individual goals, which are assumed to be aligned with organizational goals if those have been properly internalized by individuals. If there is alignment, individual goal attainment will lead to organizational goal attainment, given that individual (and team) goal pursuit is well coordinated across the organization. We should not think of individual performance as solely consisting of proficiently doing one's job. Griffin *et al.* (2007) conceptualized work performance as a matrix of proficiency (formalized and anticipated), adaptivity (coping and responding to change) and proactivity (self-initiated future-focused attempts to instigate change) at the individual (aimed at increasing individual success), team (aimed at increasing team success) and organizational (aimed at increasing organizational success) levels. This conceptualization of work performance is particularly well adapted to the motivational model of organizational goal pursuit, as it covers different individual contributions to individual, team and organizational goal attainment and takes into account the dynamic ways in which individuals contribute to goal setting and revision. It would be interesting to explore how adaptivity and proactivity dimensions influence the emergence of dynamic capabilities as they address how individuals adapt to changing conditions and even make change happen. Similar arguments have been advanced to propose a model of emergence of sustainability dynamic capabilities in organizations (Strauss *et al.* 2017).

The motivational model of organizational goal pursuit aligns well with known antecedents of these types of work performance (Carpini *et al.* 2017), which include both abilities, role clarity and job autonomy, all of which can be promoted through factors that influence the satisfaction of the needs for competence, autonomy and relatedness, as discussed earlier. In turn, individual performance has been linked to decreased turnover, absenteeism, counterproductive behaviors (e.g. loafing), accidents and organizational costs, as well as salary progression, promotions and increased organizational learning, innovation, performance, profitability and customer satisfaction.

Other individual outcomes have been shown to influence the attainment of organizational goals (Ostroff 1992). The commitment that employees develop towards their organization has not only been shown to be a strong determinant of whether they will stay or go, but also determines how much effort they will put into their work (Meyer *et al.* 2002). Organizational commitment is herein narrowed down to one particular

form, affective organizational commitment, which is a mindset whereby employees stay in their organization because they feel emotionally attached to the organization, identify with it and want to be involved (Meyer *et al.* 2002). It is a strong negative predictor of voluntary turnover (Meyer *et al.* 2002), which is very costly to organizations and can therefore impede goal achievement and organizational performance (Hinkin and Tracey 2000; Kacmar *et al.* 2006; Waldman *et al.* 2004). However, some degree of attrition can be healthy for an organization when it retains those who fit and weeds out those who do not (Schneider 1987). In addition, organizational commitment is likely to increase individual performance aimed at increasing organizational success (Carpini *et al.* 2017). Research has shown that the satisfaction of psychological needs as well as autonomous work motivation promotes the development of affective organizational commitment (Gagné *et al.* 2008; Meyer *et al.* 2010).

Finally, when employees feel energized at work, organizational goals are more likely to be attained (Welbourne 2014). Thriving is defined as a psychological state in which people feel they are learning and growing, and feel energized and vitalized through their work (Spreitzer *et al.* 2005). The model posits that thriving is likely to facilitate organizational goal attainment, because it has been associated with higher individual work performance, higher affective organizational commitment, having more initiative, and being proactive (Porath *et al.* 2012). Research has also shown that thriving is promoted through the satisfaction of needs for competence, relatedness and autonomy (Porath *et al.* 2012).

Where do incentives fit?

Self-determination theory advocates the use of need supportive organizational structures and processes over the use of monetary rewards to motivate employees. This is because research has shown that the combination of high autonomous motivation relative to controlled motivation yields superior performance and attitudinal outcomes (Howard *et al.* 2016), and because a large body of research shows that using contingent monetary rewards can decrease autonomous motivation (see Deci *et al.* 1999 for a meta-analysis).

Employees get paid in exchange for work. Money is required to survive in most of the world, and this is a big part of why people work. Moreover, people's motivation is affected by how fair they perceive their pay to be (Colquitt *et al.* 2001), and incentives can do so by creating differential treatment between poor and

good performers. Pay dispersion research, however, has shown contradictory findings. Some research has shown that pay dispersion, operationalized as the difference between the lowest paid and the highest paid employees in an organization, enhances performance, while others have shown that it decreases performance and satisfaction (see Gupta *et al.* 2012 for a review). Nonetheless, the attraction–selection–attrition model (Schneider 1987) advocates using incentives to attract good performers and to ‘sort out’ poor performers, while tournament theory also advocates the use of large attractive rewards that employees compete for (Trevor and Wazeter 2006). These incentive models rely on the same assumptions about human motivation as the theories mentioned earlier (e.g. agency theory, expectancy theory) as they do not assume that people can also work out of interest or can internalize the value of the work they do.

Many unintended effects of incentive systems have been reported, including increased stress and turnover (Harrison *et al.* 1996; Kuvaas *et al.* 2016; Timio *et al.* 1979), increased bullying and interpersonal deviance (Gläser *et al.* 2017; Samnati and Singh 2014), arranging the timing of sales and stealing fellow employees’ sales (Kerr 1975; Kuvaas *et al.* 2016), pseudo knowledge sharing (Cockrell and Stone 2009), charging customers for unnecessary repairs (Kerr 1975) and accounting fraud (Stout 2014), all of which force organizations to monitor and control employee behavior. Not only is monitoring an expensive management tool, but it has also been shown to decrease feelings of autonomy (Carayon 1994). These unintended consequences indicate that incentives do not promote the internalization of organizational goals. While contingent rewards get people to engage in a boring task in a way that is incongruent with their interests and values, promoting need satisfaction in contrast increases engagement in a boring task in an internalized manner (Joussemet *et al.* 2004). In other words, it appears that rewards contingent on work performance do not lead to the expected interest alignment assumed in agency theory (Jensen and Meckling 1976) and in the expected goal internalization assumed in stewardship theory (Davis *et al.* 1997).

Another lens through which to examine this is by considering that contingent rewards have been proposed to foster economic exchange relationships, characterized by low trust, explicit obligations with a short-term perspective and an emphasis on the exchange of tangible resources, whereas promoting more autonomous types of motivation has been argued to promote more social exchange relationships,

characterized by high trust, diffuse obligations with a longer-term perspective and an emphasis on socio-emotional resources (Kuvaas 2006; Shore *et al.* 2006). Relative to economic exchange relationships, social exchange relationships in organizations have been associated with intentions to stay, both in-role and extra-role performance and affective organizational commitment (Kuvaas and Dysvik 2009; Loi *et al.* 2009; Shore *et al.* 2006, 2009a,b). To add fuel to the fire, incentive systems have been shown to increase performance quantity (but not quality) on simple tasks (not complex) in manufacturing settings (not in service settings; Jenkins *et al.* 1998; Stajkovic and Luthans 1997; Weibel *et al.* 2010), whereas intrinsic motivation has been associated with both performance quantity and performance quality (Cerasoli *et al.* 2014). Today’s jobs are becoming more complex, require more knowledge-based and service-based work, problem-solving and innovative thinking (Parker 2014), all of which have been shown not to be enhanced by incentives.

To understand why incentives do not have the effects expected by most management and economic theories, one must go back to research on the effects of monetary rewards on intrinsic motivation. Deci *et al.*’s (1999) meta-analysis of 128 experimental studies showed an overall negative effect of tangible rewards on intrinsic motivation ($d = -0.34$), but it was particularly strong when the reward was contingent on completing a task ($d = -0.44$) and less so when the reward was contingent on a pre-determined performance level ($d = -0.28$). The authors argued that contingent rewards can decrease people’s feelings of autonomy, thereby causing a drop in autonomous motivation, but can also provide information on one’s performance, as in the case of performance-contingent rewards, making people feel more competent. The enhanced competence effect offsets negative effects on autonomy, yielding an overall weaker negative effect of rewards on intrinsic motivation (Houliort *et al.* 2002). Behavioral economists similarly postulated a crowding out effect of intrinsic motivation by external rewards (Frey and Jegen 1997). The results of a meta-analysis on the effects of incentives on performance concur with the Deci *et al.* (1999) meta-analysis, showing that a pricing effect could be cancelled out by a crowding out effect on total work motivation (Weibel *et al.* 2010).

How, then, should we give out monetary compensation in exchange for work? Taking all of these issues into consideration, Gagné and Forest (2008) argued

for developing compensation schemes that would satisfy the three psychological needs. By ensuring that incentives provide feedback on performance, they can make people feel more competent. By ensuring that incentives do not make people feel less volitional, they can maintain feelings of autonomy. And finally, by ensuring that incentives create cooperative behavior instead of competition in a work environment, they can make people feel related to each other. If a compensation system is designed to meet the three psychological needs, people will be more likely to adopt autonomous instead of controlled motivation (Gagné and Forest 2008). As long as autonomous motivation is relatively higher than controlled work motivation, people are more engaged, perform better and are less burned out at work than if autonomous and controlled motivation levels are equal (Howard *et al.* 2016).

In summary, an ill developed compensation system can lead to negative consequences for organizations (Gerhart and Fang 2015; Gupta and Shaw 2014). For a compensation system to support employee internalization of organizational goals, it must be linked to the attainment of those organizational goals (along with criteria that are fair and relevant to measure this attainment) and it must promote feelings of competence, autonomy and relatedness. In a context where people may be pursuing more than one personal or organizational goal, there is a tendency for people to prioritize goals for which progress is evident and attainment is within reach (Fishbach *et al.* 2009). However, if a reward for reaching a particular goal is introduced, it can take precedence over goal progress (Schmidt and DeShon 2007). To compound the issue, remember that goals can narrow one's focus of attention (Ordonez *et al.* 2009), even more so under time pressure (Lieberman and Trope 1998), and if time is linked to money (e.g. billing for time), this effect is even stronger (Pfeffer and DeVoe 2012). Indeed, the economic evaluation of time increases feelings of pressure, decreasing intrinsic work motivation, cooperation at work and general life satisfaction (Pfeffer and DeVoe 2012).

In conclusion, a compensation system that provides feedback on goal progress, that does not unduly pressure people through high stakes rewards that are too difficult to attain, and that promotes cooperation over competition, would more likely support the internalization of organizational goals. Research is desperately needed to come up with compensation systems that meet these criteria (Gagné and Forest 2008; Gerhart and Fang 2015; Gupta and Shaw 2014).

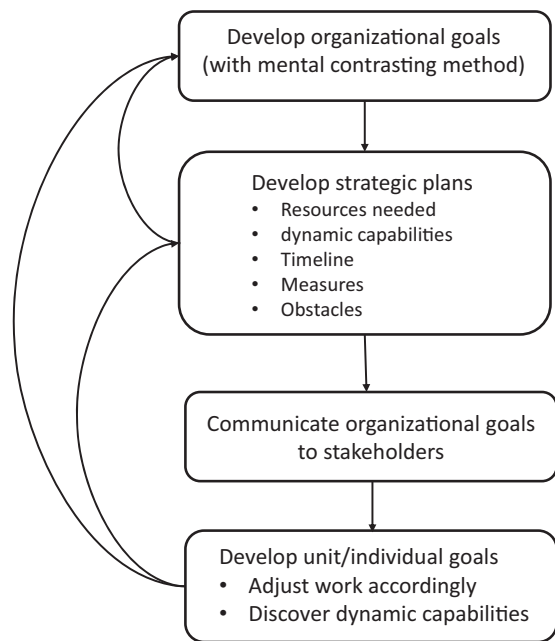


Figure 2. The process of transforming strategy into action

A method for transforming strategy into action

Based on the proposed model, some exercises and practices can help ensure that organizational and individual goals are well deliberated and their pursuit is well planned (see Figure 2). These exercises should be done first with the principals, business leaders or major stakeholders who make decisions about which organizational goals will be pursued. Once they are done at this level, they can be repeated down the hierarchy in a way that will foster alignment between different divisions and levels within the organization.

The first exercise is aimed at helping an organization determine the organizational goals it wants to pursue (goal deliberation, or the 'what and why'), leading to the development of its overall mission and strategic goals. The group considers what the organization is about, what it wants to accomplish, given its current resources (money, time, material/natural, human, social, informational, technological) and the external environment (assessed through identifying social, technological, economic, ecological, political/regulatory forces as well as industry characteristics, such as supplier and buyer power, resource dependence, information ambiguity and competition; Cummings and Worley 2015). The group should strive to develop organizational goals that are clear

(specific), desirable (challenging and positive) and feasible. The mental contrasting method described earlier can help in this regard (Oettingen 2000).

Once the group has worked out the organization's mission and goals (this can take some time and can be revised at any time), it can develop strategic plans or aim to uncover dynamic capabilities (goal implementation, or the how). First, the group can break the strategic goals into sub-goals. Using information about the external environment, the group is then asked to determine what resources are needed to accomplish the sub-goals and determine their access to these resources. Then, the group comes up with a timeline or schedule for pursuing each goal or step, and to develop measures of progress for each goal or step. Having a timeline and measures helps evaluate progress. It is also important to discuss potential obstacles and set-backs and envisage what will be done should this happen. This can include decisions to develop alternate strategic plans (e.g. resource allocations) or change strategic goals based on a review of dynamic capabilities.

Once goal deliberation (developing the mission and strategic goals) and implementation intentions (strategic plans and dynamic capabilities) are set, a plan for communicating these to organizational stakeholders (e.g. employees) needs to be put in place. It is crucial to communicate the organizational goals, as organizations should not assume that they are obvious or clear to employees. The organization needs to think about what and how it will communicate. The message itself should follow the same guidelines that were used to set the goals: Making the message clear, specific, desirable and feasible will make it inspirational and stimulating. Using language that brings people together (e.g. 'we'), presenting goals in a 'group-centric' manner (Kleingeld *et al.* 2011), and referring to the organization's developmental history and founders' stories and values, also gives people vivid images by which to understand the nature and goals of the organization and brings them together (Beyer and Trice 1987; Schein 1990). Images, such as logos, as well as organizational slogans or tag lines can help reinforce the main message. Once communications have been drafted, leaders need to decide how it will be communicated: Through policy documents and on websites, while logos and taglines can appear in many places in the physical (products, workspaces) and virtual environment. However, more needs to be done for employees to internalize organizational goals.

A top-down approach to setting organizational goals implies that only principals are involved in goal

deliberation. In this case, for employees to endorse organizational goals, offering a meaningful rationale for the organizational goals ensures that employees internalize the organizational goals as their own. In contrast, a bottom-up approach to setting organizational goals implies that agents (at least some of them) are involved in goal deliberation. This is likely to facilitate the emergence of dynamic capabilities through employee motivation. Though this ensures that organizational goals are well aligned to individual goals, the organization needs to provide information, guidelines and structures for goal deliberation to lead to the development of appropriate organizational goals. The same applies to developing strategic plans to pursue organizational goals. A top-down approach requires offering meaningful rationales, while a bottom-up approach requires guidelines to ensure organizational success. These guidelines address many of the factors discussed earlier that influence the satisfaction of the psychological needs for competence, autonomy and relatedness that promote goal internalization.

To trickle down the goal deliberation and goal pursuit processes through the organization, the next set of exercises can be done with the leaders of divisions or units/departments. In a first exercise, leaders think about the role played by their division or unit in achieving organizational goals, and then create division or unit goals that are aligned with these organizational goals. In a second exercise, leaders assess what their division or unit currently spends time, effort and resources on. Once this is done, they evaluate whether these current 'expenditures' would help attain the goals they have just written for their division or unit. They can then revise how time, effort and resources should be used, in other words, they develop a unit-level strategy using the same method used at the organizational level. During the process or at the end, it is recommended for divisions or units to review each other's goals and strategies to ensure horizontal alignment and coordination. This exercise can also lead to the discovery of 'hidden' dynamic capabilities that could lead to revising strategic goals, hence the arrows going from 'developing unit/individual goals' to 'developing organizational goals' and 'developing strategic plans' in Figure 2.

The same set of exercises can then be used within divisions or units all the way down to individuals, who should be working out their own individual work goals and implementation plans. This is essentially how individuals come to own organizational goals. Once people understand organizational and unit goals, they will better understand and adjust their own

organizational role, which will increase the satisfaction of competence (they know what they need to focus on and how to do things), autonomy (they know why it is important and how it impacts on the organization and stakeholders), and relatedness (they feel they are part of something valuable and that everyone is working towards the same objectives), all of which should increase their autonomous work motivation (i.e. goal internalization), leading to greater individual performance, organizational commitment, thriving and, consequently, employee retention and the attainment of organizational goals. The success of these exercises relies on selecting people based on their abilities fit and values fit in the first place, and on properly socializing and training them.

Testing and extending the model

The ideal study design to test the proposed model would be longitudinal and quasi-experimental and would use mixed methods. It would involve obtaining baseline measures for the different variables in the model. At the organizational level, it may require assessing the methods by which the mission/strategic goals and the strategic plans and/or dynamic capabilities have developed over a set course of time. Archival research on an organization's history, combined with interviews with current principals and agents, and perhaps other important stakeholders (e.g. clients, suppliers), would provide useful information about organizational goals. Baseline measures of current mission accomplishment would provide an assessment of current organizational success, and could comprise financial (e.g. profit) as well as non-financial (e.g. client satisfaction, loyalty) measures, depending on the type of organization and its mission. As differentiation is considered an important outcome for organizations in strategic management (Felin *et al.* 2015; Schneider *et al.* 2012), it would also be interesting to develop a way of operationalizing it within this model. At the individual level, baseline measures of employee/team/unit could be collected via quantitative surveys. Existing measures for person–environment fit (Cable and DeRue 2002), need satisfaction (Van den Broeck *et al.* 2010), work motivation (Gagné *et al.* 2015), individual performance (Griffin *et al.* 2007), organizational commitment (Allen and Meyer 1990), turnover intentions (Meyer *et al.* 1993) and thriving (Porath *et al.* 2012) could be used.

Following baseline assessments, interventions following the guidelines provided above could be

implemented to improve on any of the following: the mission, strategic plans and/or dynamic capabilities, the recruitment and selection of employees with the goal to improve their fit, and the socialization of new employees (or the re-socialization of existing ones). At appropriate times after the interventions, measures of the organizational and individual variables can be taken again to evaluate the impact of the interventions on employee and organizational outcomes. Special attention should be paid to evaluating the emergence of dynamic capabilities, possibly by examining, using a multilevel and compositional approach (Chan 1998), how a collection of individual motivations, performances, commitments, thriving, and/or turnover lead to the development of dynamic capabilities and mission accomplishment. Some models have attempted to tackle this issue through concepts such as joint production motivation (Lindenberg and Foss 2011) and collectivistic work motivation (Shamir 1990), but require further empirical work and refinement that SDT could possibly contribute to with the concept of internalization.

As Johns (2006) has aptly argued, contextual factors such as national culture and industry could moderate some of the relations in the proposed model. For example, national culture could be a moderator, with collectivism and power distance serving as facilitators and inhibitors, respectively, of the internalization process (Davis *et al.* 1997). Context can affect base rates and/or restrict the range of some of the variables in the model; it can also reverse the sign of a relation between variables or even reverse the causation between them (Johns 2006). For this reason, it would be advisable to test the proposed model across a variety of organizations operating in a variety of contexts (industries, countries).

The proposed model could be extended in several ways, from considering moderating factors to adding layers of complexity surrounding leadership, organizational structure and culture, and work design (Mintzberg 1983; Parker 2014; Ployhart and Hale 2014). In fact, Gottschalg and Zollo (2007) argued that three organizational considerations are important to the promotion of appropriate motivation leading to interest alignment: reward systems, job design and socialization. Though the current model deals more specifically with reward systems and socialization, job design should also be considered in future research (Parker 2014). For example, Lindenberg and Foss (2011) emphasized the role of interdependence in the emergence of joint production motivation, while previous mention of research on autonomous

work groups could provide additional insights (e.g. Parker *et al.* 1997).

Team dynamics (within governance structures and also within other teams in the organization) could be added to the model, as they might influence both organizational and individual goals, but could also emerge out of individual and organizational goals. Considering teams as an additional level of analysis would allow for an expansion of the proposed model to include team-level variables, such as the emergence of team motivation and team cognition (Gibson 2001; Lindenberg and Foss 2011; Shamir 1990), which may act as instances or antecedents of the emergence of dynamic capabilities at the organizational level. Team dynamics could also influence cognitions and decision-making (e.g. negotiation processes), which were not taken into account in the prediction of goal attainment in the proposed model (because the focus was on motivational considerations), but have been judged to be important in the behavioral theory of the firm (Cyert and March 1963). Cognitions and decisions could be influenced by the motivation of both principals and agents, but could also influence it. Chen and Kanfer (2006) developed a model depicting influences between individual and team motivational and goal-related variables that could serve as a starting point to develop this aspect of the proposed model further.

We cannot assume that parallel processes operate at the organizational level in the same way they would at the team level. Teams are defined as two or more individuals who socially interact (face-to-face or virtually), share common goals and work together interdependently to achieve them (Kozlowski and Ilgen 2006). Though an organization can range in size from a few individuals to thousands of them, teams generally cannot be too large in order to function properly. Coalitions of stakeholders making up organizations, though they share goals, may not necessarily interact as much and may not work directly together. Nonetheless, teams are structured similarly to organizations with division of labor and lines of authority, which can make them vary in terms of how mechanistic or organic they are (Mathieu *et al.* 2017). Team dynamics could be particularly interesting to look at to better understand the process of developing dynamic capabilities in organizations. For example, team composition (member characteristics and the distribution of those characteristics in a team) and authority differentiation within a team are likely to affect the development of dynamic capabilities at the team level and consequently at the

organizational level (Mathieu *et al.* 2017). Team processes, which essentially convert member inputs into outcomes, may also significantly affect the development of organizational-level dynamic capabilities and mission accomplishment. Communication, coordination of activities, conflict management and negotiation within and between teams, are all important team processes that may facilitate or hinder team effectiveness and the emergence of dynamic capabilities (Mathieu *et al.* 2017) and could be integrated into the proposed model. In particular, team dynamics could help flesh out how individual outcomes would translate into dynamic capabilities and mission accomplishment.

Several models already deal with goal discrepancies, feedback and when to disengage from unattainable goals, issues only brushed upon in this paper (see Carver and Scheier 1981; Kuhl and Beckmann 1994). It has also not considered the issue of the consequences of framing goals in terms of approaching versus avoiding an end state (Moskowitz 2012). Prospect theory, goal orientations theory and regulatory focus theory are all frameworks that could help shed light on how framing would influence the motivation processes depicted in the model (Elliot and Church 1997; Higgins 1997; Tversky and Kahneman 1981). For example, Elliot *et al.* (1999) found that goals framed in terms of preventing a loss were associated with decreases in intrinsic motivation.

Conclusion

March (1962, p. 672) aptly argued that '[t]he composition of the firm is not given; it is negotiated. The goals of the firm are not given; they are bargained'. The proposed model provides a guide to understanding how strategy emerges out of negotiations and bargaining between individuals (principals and agents) who make decisions and act in ways that may or may not lead to organizational success.

The proposed motivational model of organizational goal pursuit fills a gap in current strategy thinking around interest alignment (Gottschalg and Zollo 2007) and around stewardship (Davis *et al.* 1997) by specifying processes through which organizational goals become internalized by individual agents, and through the formation of dynamic capabilities, translated back into organizational goal attainment. The theory of action phases (Heckhausen and Gollwitzer 1987) and self-determination theory (Deci and Ryan 1985) are particularly helpful in delineating

the process by which organizational leaders develop organizational goals and strategies and the process by which leaders can help organizational members understand and adopt organizational goals. These theories also address how to help organizational members translate goals for units and individuals. The goal deliberation phase deals with the what and why, while the implementation phase deals with the how, when and where of goal pursuit.

This model could be extended by the inclusion of considerations beyond motivational ones. The model nonetheless addresses a gap in the literature on the behavioral theory of the firm and the dynamic capabilities view of the firm, where it is unclear how organizational goals and structures affect individual dynamics within the firm and the emergence of dynamic capabilities. Vogel and Guttel (2013) advocated an integration of research on leadership, human resource management and resistance to organizational change with research on dynamic capabilities. By using current motivation theories, the proposed model constitutes such an attempt and provides a view on psychological processes by which organizational-level decisions are made and how they affect organizational behavior and organizational outcomes.

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