

The Influence of Employees' Participation in Task-Properties Feedback on Initiative within Performance Measurement Systems



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To my mother, Omhani Elshekh
For your endless love, strength, and the values you instilled in me.

To my father, Salah Elmakki
*For your limitless generosity, unwavering support, and the quiet way you have
always given without measure.*

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Abstract

This thesis explores the critical role of information flows provided by management control systems in fostering and sustaining effective behavioural patterns within organisations. In an era where maximising the potential of performance measurement data has become increasingly challenging, this research investigates the impact of collaboratively developed task-properties feedback on employee initiative.

Challenging the conventional unidirectional flow of information from managers to employees, the thesis demonstrates how participatory feedback processes foster a reciprocal and collaborative exchange. This shift moves beyond the traditional top-down approach, highlighting the value of employee involvement in co-developing feedback to enhance its relevance and effectiveness.

Building on management accounting literature, this study draws extensively from behavioural and organisational psychology to predict and analyse employee behaviour in performance measurement processes. Specifically, it examines the cognitive and motivational effects of employees' participation in co-developing task-properties feedback. The cognitive dimension is addressed through the functional theory of counterfactual thinking, role ambiguity, and job-specific information, while the motivational dimension is explored using organisational justice theory. The thesis argues that active employee involvement in designing feedback about their task properties fosters performance initiative. This is attributed to enhanced counterfactual thinking heuristics, reduced role ambiguity, increased access to job-relevant information, and improved perceptions of organisational justice.

The central premise is that employees' performance initiative can be cultivated through their participation in shaping the feedback they receive. Co-developing task-properties feedback is conceptualised as a means of sustaining the information flows necessary for effective performance. Empirical evidence for this proposal is drawn from an interpretive analysis of employee perceptions of feedback, with participants selected from offices of an international transport and logistics organisation located in the United Arab Emirates and Turkiya.

The findings demonstrate that employees' participation extends beyond merely implementing management control systems. Within performance measurement systems (PMS), employees can actively influence various factors, such as conceptualising performance feedback, defining feedback content, and identifying critical task-related information. By challenging traditional information flows and emphasising collaborative participation, this research provides a transformative perspective on employee involvement in PMS and lays a foundation for future studies exploring these dynamics further.

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Table of Contents

	Page
Abstract	iii
List of Figures	Viii
List of Tables	ix
<u>CHAPTER 1: INTRODUCTION</u>	<u>1</u>
BACKGROUND AND SCOPE OF THE THESIS	1
GAP IN LITERATURE	4
RESEARCH QUESTION AND OBJECTIVES OF THE THESIS	7
APPROACH OF THE THESIS	7
THE SUMMARY OF THESIS CONTRIBUTIONS	9
THE STRUCTURE OF THE THESIS	10
<u>CHAPTER 2: LITERATURE REVIEW</u>	<u>11</u>
INTRODUCTION	11
THE RATIONALITY OF FEEDBACK	13
TASK PROPERTIES FEEDBACK (TPF)	15
INFORMATION FLOW (TWO-WAY) AND LEARNING	19
COUNTERFACTUAL THINKING AND PERFORMANCE INITIATIVE	25
ROLE AMBIGUITY AND PERFORMANCE INITIATIVE	32
JOB-RELEVANT INFORMATION AND PERFORMANCE INITIATIVE	36
ORGANISATIONAL JUSTICE AND PERFORMANCE INITIATIVE	40

LITERATURE REVIEW - SUMMARY	49
CHAPTER 3: THEORETICAL FRAMING	50
INTRODUCTION	50
BACKGROUND	51
TPF PARTICIPATION AND COUNTERFACTUAL THINKING TO TAKE INITIATIVE	55
TPF PARTICIPATION AND ROLE AMBIGUITY TO TAKE INITIATIVE	63
TPF PARTICIPATION AND JOB-RELEVANT INFORMATION TO TAKE INITIATIVE	65
TPF PARTICIPATION AND ORGANISATIONAL JUSTICE TO TAKE INITIATIVE	67
THEORETICAL FRAMING - SUMMARY	71
CHAPTER 4: RESEARCH METHODOLOGY AND METHOD	73
INTRODUCTION	73
METHODOLOGY AND PHILOSOPHICAL FOUNDATIONS	74
RESEARCH DESIGN	87
REFLEXIVITY AND RESEARCHER POSITIONALITY	106
RESEARCH METHODOLOGY AND METHOD - SUMMARY	106
CHAPTER 5: RESULTS	107
INTRODUCTION	107
ORGANISATION'S PERFORMANCE MEASUREMENT SYSTEM	108
RESULTS OF THE MODEL	111
INFLUENCE OF TPF PARTICIPATION	154

RESULTS - SUMMARY	157
<u>CHAPTER 6: DISCUSSION AND REFLECTIONS</u>	158
INTRODUCTION	158
COUNTERFACTUAL THINKING (DISCUSSION & REFLECTIONS)	159
ROLE-AMBIGUITY (DISCUSSION & REFLECTIONS)	167
JOB-RELEVANT INFORMATION (DISCUSSION & REFLECTIONS)	170
ORGANISATIONAL JUSTICE (DISCUSSION & REFLECTIONS)	173
DISCUSSION AND REFLECTIONS - SUMMARY	184
<u>CHAPTER 7: SUMMARY AND CONCLUSIONS</u>	185
INTRODUCTION	185
SUMMARY	186
CONCLUSION	195
LIMITATIONS	204
CONTRIBUTIONS	206
<u>BIBLIOGRAPHY</u>	211

List of Figures

	Page
1. Model of two-way flow of information	22
2. The content-specific pathway by which counterfactuals influence behaviour	32, 58, 160
3. Pattern of management accounting studies explored OJ	42
4. Proposed model of study	55
5. Content-specific vs content neutral pathways of counterfactual thinking	57
6. The proposed model of Task Properties Feedback (TPF)	62
7. Hopper & Powell's (1985) taxonomy of accounting research	81
8. Classification of assumptions	82
9. Assumptions of interpretive accounting research	82
10. Organisation's Chart	94
11. Data collection process timeline	95
12. Organisation's levels and strategic objectives relationship	110

List of Tables

	Page
1. Interviews information	105
2. Participants' information by phase	136

Abbreviations

AR	Accounts Receivable
AP	Accounts Payable
CAQDAS	Computer-Assisted Qualitative Data Analysis Software
CFB	Cognitive Feedback
CFT	Counterfactual Thinking
DPO	Days Payable Outstanding
HR	Human Resources
IAR	Interpretive Accounting Research
IT	Information Technology
JRI	Job-Relevant Information
KPI	Key Performance Indicator
MCPL	Multiple Cue Probabilistic Learning
MA	Management Accounting
MAS	Management Accounting System
MCS	Management Control System
MEA	Middle East and Africa
OC	Organisational Control
OFB	Outcome Feedback
OJ	Organisational Justice
RA	Role Ambiguity
SMART	Specific – Measurable – Attainable –Realistic – Time-bound
SOP	Standard Operating Procedure
TPF	Task-Properties Feedback

PAR	Participatory Action Research
PMS	Performance Measurement System
PhD	Doctor of Philosophy
PPR	Personal Performance Review

Chapter 1: Introduction

Background and Scope of The Thesis

This thesis investigates the role of employees' participation in developing task properties feedback (TPF) and its influence on their performance initiative. The motivation for this research arises from my personal experience as a regional management accountant, where I faced challenges in effectively utilising feedback to enhance performance. These difficulties prompted me to reflect on the limitations of traditional, top-down feedback approaches and consider whether a more collaborative process—actively involving employees in the creation of their performance feedback—could enhance initiative, engagement, and overall outcomes. This personal insight serves as the basis for exploring a participatory feedback framework that seeks to align managerial goals with employees' practical needs.

While management accounting literature highlights the benefits of employee participation, most studies focus on budgeting and performance target setting. Few examine the broader potential of employee involvement in designing management control systems, particularly in developing task-specific feedback. Focusing on employees in non-managerial roles is particularly important because these individuals engage directly with task execution and possess tacit, operational knowledge that is often overlooked in performance measurement system design.

This thesis aims to address that gap by exploring how employee participation in TPF impacts their initiative behaviour through four constructs identified in the literature: counterfactual thinking (CFT), role ambiguity (RA), job-relevant in.

In this thesis, Task-Properties Feedback (TPF) refers to feedback that provides information about how a task is performed, including the relevance of task cues, the relationships between actions and outcomes, and the structure of the task itself. Unlike outcome or evaluative feedback, TPF focuses on the process of task execution and the informational cues that guide performance. Importantly, this study conceptualises TPF as being co-developed by employees and managers, rather than imposed unilaterally, so that task knowledge held by employees can be incorporated into the feedback system.

Employee initiative is defined as self-starting, proactive and improvement-oriented behaviour in the execution of work tasks. In this thesis, initiative does not refer simply to effort or compliance, but to employees' willingness and ability to identify problems, suggest improvements, and adapt how they perform their tasks in response to feedback information (JRI), and organisational justice (OJ).

Feedback, defined as information provided to improve performance, is widely recognised across fields like accounting and psychology as a crucial tool for enhancing behaviour and outcomes. However, feedback is often delivered in a top-down manner, which may limit its usefulness. Managers and employees often have differing mental models of tasks, creating a disconnect in how feedback is understood and applied. This research posits that involving employees in the development of their task-related feedback can make the information more meaningful, fostering better role clarity and actionable insights.

This thesis focuses specifically on participation in the construction of feedback rather than on participation in budgeting or target setting. Whereas budgetary participation influences goals and targets, participatory task-properties feedback shapes how work is understood, monitored, and improved at the task level. By involving employees in defining what task information is fed back and how it is interpreted, participatory feedback directly affects how employees make sense of their work, learn from experience, and identify opportunities for improvement. Participation in feedback therefore plays a fundamentally different role in management control by influencing task understanding and learning rather than only goal acceptance or motivation.

Participation in TPF aligns with psychological theories that emphasise the importance of feedback interpretation. Studies suggest that feedback is most effective when recipients can transform it into meaningful insights. This thesis builds on this idea, proposing that co-developed feedback helps employees better understand their tasks and improves their initiative through cognitive and motivational pathways.

The constructs examined in this research are well-established in psychology and management accounting literature. Counterfactual thinking involves evaluating "what could have been" and is triggered by performance feedback. When informed by accurate task information,

counterfactual thinking can lead to improved judgment and initiative. RA refers to the gap between the information an employee needs and what is available, while JRI pertains to task-specific information required to complete a job. Both are expected to improve when employees participate in feedback development. Organisational justice, encompassing distributive, procedural, and interactional justice, reflects employees' perceptions of fairness in evaluations and processes, which can significantly impact their performance. However, Previous studies have primarily focused on managerial-level participation, with limited attention to employees. This thesis shifts the focus to employees, examining how their participation in TPF influences their initiative behaviour—a critical driver of performance characterised by proactivity, self-starting, and persistence.

Many performance measurement systems generate numerical indicators of performance but provide limited guidance on how employees should act on them. As a result, employees may struggle to learn from feedback or to take initiative in improving their work. This creates both a practical problem for organisations and a theoretical problem for management accounting: how can feedback be designed to provide meaningful, task-level information that supports learning and initiative? This problem directly motivates the research question addressed in this thesis. Addressing this problem requires examining not only what feedback reports, but how feedback is constructed and interpreted by employees—directly motivating the research question of this thesis

Accordingly, the thesis aims to answer the central question: **To what extent does employees' participation in task properties feedback influence their initiative behaviour?** The study is guided by management accounting and psychology theories, employing a multidisciplinary approach to explore these dynamics. By addressing this question, this thesis aims to contribute to both theory and practice, offering insights into how employee participation in feedback processes can enhance their initiative and organisational performance.

This thesis draws on four theoretical constructs—counterfactual thinking, role ambiguity, job-relevant information, and organisational justice—because together they represent the main cognitive and motivational mechanisms through which feedback is known to influence behaviour in organisations. Counterfactual thinking explains how individuals cognitively

process feedback and learn from it. Role ambiguity and job-relevant information explain how feedback shapes employees' understanding of what to do and how to do it. Organisational justice explains how feedback influences motivation through perceptions of fairness. Together, these four constructs provide a coherent framework for examining how participation in task-properties feedback influences employees' initiative.

The chapter is structured as follows: The first section ([Background and Scope of The Thesis, page 1](#)) introduces the research topic and background. The second section ([Gap in Literature, page 4](#)) identifies gaps in the literature. The third section ([Research Question and Objectives of The Thesis, page 7](#)) outlines the research question and objectives. The fourth section ([Approach of The Thesis, page 7](#)) summarises the methodology and methods used. The fifth section ([The Summary of Thesis Contributions, page 9](#)) highlights the thesis's contributions, and the sixth section ([The Structure of The Thesis, page 10](#)) provides an overview of the thesis structure.

Gap in Literature

Building on the discussion above, this thesis seeks to address a critical gap in the literature by investigating four key areas through the lens of cognitive and motivational mechanisms in Task Properties Feedback (TPF). By focusing on these mechanisms, the study aims to provide a deeper understanding of how TPF can influence employee behaviours and performance. Specifically, it examines the ways in which TPF impacts cognitive processes, such as task clarity and counterfactual thinking, while also exploring its motivational effects, including enhanced engagement and initiative. This comprehensive approach is designed to offer new insights into the role of participatory feedback systems in improving organisational outcomes.

The first cognitive area of this thesis explores how employees' participation in developing feedback information influences their performance initiative, proposing a shift from a traditional one-way flow of information to a two-way, interactive process. Central to this exploration is the functional theory of counterfactual thinking, particularly the potential of the content-specific pathway to support performance initiative through co-developed information. Although this theory is relatively new to psychology (Epstude and Roese, 2008),

it has not yet been applied in management accounting research. By examining its relevance within performance measurement systems and management control systems, the study aims to extend the theory and investigate its application in organisational contexts.

Historically, management accounting research has focused on employee participation primarily in designing performance measurement targets and setting budgets. This thesis broadens that scope, positioning participation as a dynamic mechanism within management control systems. Furthermore, it addresses Otley's (1999, p. 365) enduring research question: "What are the information flows (feedback and feed-forward loops) that are necessary to enable the organisation to learn from its experience and to adapt its current behaviour in the light of that experience?" By integrating theoretical and empirical insights, the research provides a deeper understanding of how participatory processes can enhance organisational learning, adaptiveness, and employee-driven performance improvements.

The second and third cognitive areas of this thesis examine how employees' performance initiative is influenced by role ambiguity (RA) and job-relevant information (JRI). This focus makes three significant contributions to the field.

- It addresses a gap in management accounting research, which has traditionally concentrated on these constructs at the management level, largely neglecting the employee perspective. By shifting the lens to employees, this research acknowledges their pivotal role in driving organisational performance and provides new insights into their experiences.

This focus on employees in non-managerial roles is theoretically important because these individuals possess detailed, tacit knowledge about how tasks are actually performed in practice. However, such operational knowledge is rarely incorporated into formal performance measurement systems, which are typically designed from a managerial perspective. By examining employees' participation in constructing task-properties feedback, this study addresses a significant gap in management accounting research concerning how task-level knowledge can be integrated into management control.

- The thesis contributes to a deeper understanding of how information influences employees' behaviour, emphasising its role in fostering organisational learning—a critical enabler of long-term success (Huber, 1991; Argote and Miron-Spektor, 2011).
- It highlights the importance of employee participation in bridging the gap between employees and management, a connection that is vital for promoting organisational learning and adaptiveness (Otley, 1990; Crossan et al., 1999; Al Jasimee & Blanco-Encomienda, 2023; Van Der Lugt, 2024).

By exploring the employee-level perspective on RA and JRI, this thesis provides a significant contribution to the management control systems research area in management accounting, offering practical insights into enhancing performance initiative and organisational learning.

The fourth motivational area of this thesis investigates the impact of organisational justice on employees' performance initiative, particularly following their participation in the performance evaluation process. This focus contributes to the literature in several key ways.

- It highlights the significant role that participation plays in shaping employees' perceptions of fairness, a connection often explored within the context of performance evaluations (e.g., Burney et al., 2009).
- It explores how these justice perceptions directly influence performance, drawing on foundational studies in the field (Ball et al., 1994; Colquitt et al., 2001; Schmitz et al., 2019; McGowan et al., 2024).
- By introducing a novel approach to employee participation in management accounting, this thesis extends current research by examining how such participation influences performance initiative through employees' perceptions of justice. This contribution opens new avenues for debate on the role of employee involvement in management control systems and offers practical insights into how fairness and participation can enhance organisational performance.

Research Question and Objectives of The Thesis

The personal interest and rationality of the topic posited above have led to formulate the question of *to what extent does employees' participation in the co-development of task-properties feedback influence their performance initiative?* In order to address the question, four key objectives are formulated:

Objective one: examine the potential of updating employees' mental models through the co-development of task properties feedback as meaningful and informative process. Then, explore the influence of this update on employees' performance initiative by using the content-specific pathway (i.e., the functional theory of counterfactual thinking) as a guide.

Objective two: explore the potential of using the co-developed task-properties feedback to decrease role ambiguity. Then, seek to understand the change into RA and how it relates to employees' performance initiative.

Objective three: explore the potential of using the co-developed task-properties feedback to increase job-relevant information. Then, seek to understand the change into JRI and how it relates to employees' performance initiative.

Objective four: explore the potential of using the co-developed task-properties feedback to enhance organisational justice. Then, seek to understand the change into employees' perception of justice and how it relates to their performance initiative.

Approach of The Thesis

The aim of the methodology and method used is to guide the empirical research to address the main question of the thesis - *to what extent does the co-developed TPF influence employees' performance initiatives.*

After reviewing various philosophical perspectives, the interpretive approach, specifically, explanatory interpretive accounting research, emerged as the most suitable for this study. Interpretivism, which leans towards qualitative methods, focuses on understanding individuals' behaviour through interpretation, though it is not strictly confined to either qualitative or quantitative methods (Jankowicz,1991).

The rationale for selecting the interpretive approach is supported by scholars who emphasised the importance of aligning the research approach with the study's aims and underlying assumptions (Bulmer,1979). Given the nuanced nature of constructs such as performance initiative and perceptions of justice, the interpretive method is preferred for its ability to explore subjective judgments. This approach aligns with the study's aim of investigating the influence of employees' participation in TPF on their performance initiatives - as the focus is primarily on an individual's initiative behaviour. Additionally, there is a recognised need for interpretive research to gain a comprehensive understanding of accounting practices within organisational settings.

Beyond philosophical considerations, practicality and feasibility also influenced the choice of research methodology. Various limitations were considered, including restricted access to performance measurement data and documentation, the need to preserve organisation anonymity, and the constraints on including organisation documents in research publications.

In relation to thesis method, it is conducted as participatory action research (PAR), which Kaplan (1993, p.10) refers to as "to-be" research. This method allows management accounting researchers to move beyond the traditional passive and observational role of social science and instead actively engage in change processes (Argyris et al., 1985; Argyris, 1993). It also positions the action researcher as a key participant in assisting an organisation (Schein, 1987).

The goal of task properties feedback is to modify the content of performance feedback by co-developing it with employees, aiming to enhancing their performance initiative, thereby improving the performance measurement process. Consequently, the action research method was deemed the most suitable, as it aligns with the research questions focused on "understanding the process of change or improvement" (Coughlan and Coughlan, 2002, p. 227).

This thesis represents a shift in social science research, moving away from attempts to emulate the natural sciences and instead aiming to gain a deeper understanding of human behaviour within the natural setting of management accounting practice. It seeks to explore

the social dimensions of everyday accounting practices, diverging from traditional approaches.

The Summary of Thesis Contributions

Theoretical Contribution

This thesis makes a theoretical contribution by extending the functional theory of counterfactual thinking into the domain of participatory performance measurement systems. It demonstrates that counterfactual reflection leads to meaningful learning and behavioural change only when it is supported by structured, task-level feedback. By conceptualising Task-Properties Feedback (TPF) as a co-developed informational mechanism, the thesis shows how employees' mental models can be continuously updated through participation in feedback design. This advances counterfactual thinking theory by linking it to the design of feedback systems rather than treating reflection as a purely individual cognitive process.

Empirical Contribution

Empirically, this study provides novel evidence of how employees' participation in constructing their feedback influences initiative in performance measurement systems. It extends existing management accounting research, which has focused primarily on managerial participation, by showing how employee-level participation shapes counterfactual thinking, role clarity, job-relevant information, and perceptions of fairness. The findings demonstrate how these mechanisms jointly influence employees' willingness and ability to act proactively in their work, offering a more integrated account of how feedback, cognition, and justice operate at the operational level.

Practical contribution

Practically, the thesis shows how organisations can design feedback systems that move beyond one-way performance reporting toward participatory, task-focused feedback processes. By involving employees in developing and refining TPF, organisations can improve learning, fairness, and initiative, thereby strengthening the effectiveness of performance measurement systems in supporting continuous improvement.

Together, these theoretical, empirical, and practical contributions establish the foundation for the remainder of the thesis. The following chapters develop these contributions in detail by situating the study within the performance measurement and feedback literature, elaborating the theoretical framework, and presenting empirical evidence from the participatory action research.

The Structure of The Thesis

This thesis is organised into seven chapters, which collectively explore *the influence of employees' participation in designing task-properties feedback on their performance initiative*. Below is a brief overview of the structure of the thesis:

Chapter 1: Introduction

This introductory chapter provides the background, scope, and context of the thesis. It also summarises the research problem, highlighting the gaps in the literature and the question the thesis seeks to answer. Finally, it offers a brief overview of personal motivation and contributions of the thesis.

Chapter 2: Literature Review

This chapter outlines relevant literature related to the influence of employees' participation in TPF on their performance initiative. It identifies gaps in the existing research, leading to the formulation of the thesis's question.

Chapter 3: Theoretical Framing

This chapter develops the theoretical lens that underpins the study. It outlines the four constructs (i.e., counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ)) that inform the research and explains how these constructs are used to address the thesis question. This chapter serves as the foundation for understanding the relationships and dynamics explored in the subsequent analysis.

Chapter 4: Research Methodology and Method

This chapter describes the research design, methodology, and method used in the study. It includes philosophical foundations (methodology), method (research design, research context, process). It also describes data collection and analysis method.

Chapter 5: Results

This chapter presents the findings of the empirical research organised in two phases according to how the interviews were conducted. Each phase reveals the results in relation to the four constructs (CFT, RA, JRI, and OJ) that address the thesis question. It also explores the influence of participation as a separate component.

Chapter 6: Discussion and Reflections

This chapter discusses the implications of the results in relation to the four constructs and existing literature and theory. It also suggests directions for future research.

Chapter 7: Summary and Conclusion

This final chapter provides a summary of the thesis, discusses its contribution to the body of knowledge and practice, and limitation of the thesis.

Chapter 2: Literature Review

Introduction

The previous chapter has established the foundation of this thesis by outlining the background, context, motive and rationale behind the thesis, the objectives of the thesis, and how these objectives will be achieved. Throughout the process, the influence of employees' participation in designing task-properties feedback on their initiative is explored in relation to four key psychological constructs. These constructs — counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ) — are drawn from the fields of cognitive, social, and organisational psychology.

In social psychology, employee initiative is closely associated with proactivity, voice, and self-regulation. Proactivity reflects self-starting behaviour aimed at improving work

processes (Crant, 2000), voice captures employees' willingness to express constructive suggestions (Morrison, 2011), and self-regulation refers to individuals' capacity to monitor and adjust their behaviour in pursuit of goals (Carver & Scheier, 1998). In this thesis, initiative is understood as the integration of these elements within a performance measurement context.

Ferreira and Otley (2009) conceptualise performance measurement systems as systems of interrelated elements that include objectives, performance measures, targets, evaluation processes, and reward structures, while Tessier and Otley (2012) further distinguish between different forms of control use (e.g., diagnostic, interactive, and social controls). Within these frameworks, feedback operates as the mechanism through which performance information becomes actionable, linking measurement and evaluation to learning and behavioural adjustment. From this perspective, Task-Properties Feedback (TPF) can be understood as a specific design choice within the feedback component of PMS, oriented toward task learning and sensemaking rather than solely performance monitoring.

The main objective of this chapter, therefore, is to review the academic literature in management accounting and psychology. This review aims to provide evidence supporting the potential of using task-properties feedback that is co-developed by employees to enhance their performance. The focus will be particularly on the influence of this feedback through the lens of the four psychological constructs identified in the literature.

This chapter is organised into seven sections to ensure clarity and coherence. The first section ([the Rationality of Feedback, page 13](#)) reviews the rationale for using feedback. The second section ([Task Properties Feedback, page 15](#)) provides an overview of the type of feedback utilised in this thesis, referred to as task-properties feedback (TPF), and highlights its importance. The third section ([Information Flow \(two-way\) and Learning, page 19](#)) examines the proposal of a two-way flow of information through participation and its role in facilitating learning. The fourth ([Counterfactual Thinking and Performance Initiative, page 25](#)), fifth ([Role Ambiguity and Performance Initiative, page 32](#)), sixth ([Job-Relevant Information and Performance Initiative, page 36](#)), and seventh ([Organisational Justice and Performance Initiative, page 40](#)) sections explore the four constructs—counterfactual thinking, role ambiguity (RA), job-relevant information (JRI), and organisational justice—and their

connections to performance initiative. Finally, the eighth section ([Summary, page 49](#)) summarises the key points discussed in the chapter.

The Rationality of Feedback

In general, people have a continuous desire for feedback (Abi-Esber et al., 2022). Performance-based feedback plays a central role in performance development by enabling knowledge acquisition and skills building (Ericsson, 2009; Salas and Rosen, 2010). Recently, these are seen as essential employee qualities. For instance, the World Economic Forum 2020 report (i.e., Future of jobs) revealed that as job tasks became more complex, there is an increasing demand for employees to think critically and be able to solve problems (World Economic Forum).

Task complexity may cause stress (Puffer & Brakefield, 1989), burnout (de Rijk et al., 1998), and employees' job strain (Li et al., 2017). To avert these costly consequences, and similar to this thesis, performance feedback is used as a task learning tool (Hammond et al., 1977; Hammond, 1987).

From a practical perspective, another attractive benefit of using feedback is that feedback interventions are simple and have a relative low cost of implementation as organisations are often having a regular access to information or performance data through accounting systems and other systems (Prue & Fairbank, 1981). Also, managements are frequently used it as one of the most effective tools for altering employees' behaviour to attain organisational objectives (Luckett & Eggleton, 1991; Hannan et al., 2008; Buchheit et al., 2012; Thornock, 2016).

Much of the management accounting literature that investigated feedback analysis is influenced by cybernetic control theory (Otley & Berry, 1980; Emmanuel & Otley, 1985, Berry et al., 2009; Otley, 2016; Zoni & Merchant, 2021). This theory has 4 main elements: (1) inputs; (2) process (transformation of inputs); (3) outputs; (4) Feedback loop (feeding back information to the system about outputs).

Green and Welsh (1988, p.289) defined a cyber control as a “a process in which a feedback loop is represented by using standards of performance, measuring system performance, comparing that performance to standards, feeding back information about unwanted variances in the systems, and modifying the system’s compoment”. The action “control” is initiated when there is a need for correcting the discrepancies.

Otley and Berry (1980) identified four possible elements that can be included in one action. The selected action may contain one or more elements of the following: changing system inputs (first-order control); adjusting system objectives (second-order control); adjusting the transformation process based on previous experience (internal learning) and changing the process nature (systematic learning).

In a similar way, Foster and Horngren (1987) posited that feedback can be used in six different ways. It can assist to alter goals; seek out alternative means; adjust decisions making mechanisms; make predictions; change the operational nature of the process, alter how the performance is rewarded and measured. In relation to this thesis, the participation of employees in co-developing feedback is targeting the process of performance measurement by changing its operational nature.

In management accounting literature, the feedback loop is seen as a “neutral or mechanistic way “(Luckett and Eggleton, 1991, p.372). For instance, the action control is exercised if there are discrepancies in production costs and if the management is decided to investigate it.

Accordingly, supplying information through the feedback loop is viewed as of paramount importance to successful control (Luckett and Eggleton, 1991, Thomas, 2016; Zoni & Merchant, 2021; Putri et al., 2024). This information is not only useful in detecting errors (Otley and Berry ,1980), but also in directly or indirectly assisting individuals (mostly subordinates) in assessing their work performance via a supervisor (Hopwood, 1976; Libby, 1981; Emmanuel & Otley, 1985; Al Jasimee & Blanco-Encomienda, 2023; Künneke, 2024). Furthermore, Horngren and Foster (1987, p.5) postulated that “management control is primarily a human activity that should focus on how to help other humans in their work”.

Taken together, these insights reinforce that feedback within management control systems is far more than a mere technical mechanism; it is fundamentally a human-centred process aimed at supporting employee learning, adaptation, and performance improvement. By actively involving employees in the co-development of task-related feedback—as this thesis proposes—organisations can enhance the relevance, acceptance, and effectiveness of feedback mechanisms.

This participatory approach not only aligns with cybernetic control principles but also acknowledges the social and cognitive dimensions of performance management, ultimately fostering greater employee initiative and organisational success. Thus, integrating employee perspectives into feedback design represents a promising pathway to address the complexities of modern work environments while reinforcing the vital role of management control as a facilitator of human work.

Task Properties Feedback (TPF)

In prior human information processing research, particularly within the multiple-cue probabilistic learning (MCPL) framework, three types of performance feedback have been identified in relation to task learning (Luckett & Eggleton, 1991). These feedback types are task properties feedback (TPF), outcome feedback (OFB), and cognitive or lens-model feedback (CFB). Task properties feedback provides information about task cues or properties, outcome feedback provides information about the correctness of an outcome, and cognitive feedback provides information about judgment policies (Buchheit et al., 2012). Unlike target setting, which defines performance expectations, and performance assessment, which evaluates outcomes, TPF operates at the task-process level by shaping how work is interpreted and improved.

Early MCPL studies demonstrated that feedback significantly influences learning outcomes. For example, Todd and Hammond (1965) showed that providing cognitive feedback—information about cue–criterion relationships and judgment policies—improves probabilistic learning compared with outcome feedback alone. Later, Hammond and Summers (1972) theorised how such feedback enhances cognitive control in decision making, while

Hammond, Summers and Deane (1973) found that outcome feedback alone could even hinder learning when task structure information is absent.

Given these positive effects of feedback on learning reported in the MCPL literature (e.g., Todd & Hammond, 1965; Hammond & Summers, 1972; Hammond, Summers & Deane, 1973), subsequent accounting studies emphasised the need to examine the effectiveness of these feedback types within an accounting context — that is, using tasks involving accounting information and numerical cues (see Einhorn, 1976; Libby & Lewis, 1977). As a result, a number of accounting studies replicated MCPL findings.

For instance, Kessler & Ashton (1981) tested the effectiveness of task properties and cognitive feedback in accounting-oriented forecasting tasks. Additionally, Regel (1985) examined the effect of task properties feedback (training) on auditors and consensus in performance evaluation formation. Within the auditing domain, further studies explored the benefits of task properties feedback for improving auditors' performance (e.g., Leung & Trotman, 2005 & 2008; Andiola, 2014; Baaske et al., 2023 & 2024).

Both fields have confirmed the usefulness of task properties feedback and cognitive feedback in task learning. However, an earlier study suggested that task properties feedback have the edge over cognitive feedback as it is cost-effective and does not involve modelling (Kessler & Ashton, 1981).

Regarding outcome feedback, its effectiveness has primarily been observed when compared to no feedback (Hirst & Lockett, 1987; Kluger & DeNisi, 1996; Sutton, 2021) or when delivered in combination with task-properties feedback (Harrell, 1977; Hoskin, 1983; Hirst & Lockett, 1987; Nicol & Macfarlane-Dick, 2006; Hattie & Timperley, 2007). In line with these findings and given that the organisation under study already provides outcome feedback (i.e., performance evaluation results), this thesis introduces task-properties feedback as a complementary mechanism to enhance employees' learning and performance.

Success on a complex task oftentimes involves making decisions with numerous cues. Task properties feedback provides information about the value of task cues and the association

between cues and task criterion, which assist employees in evaluating task performance in relation to the decisions taken (Leung and Trotman, 2005).

The effectiveness of task properties feedback has been asserted by accounting and psychology research (e.g., Balzer et al., 1989; Tuttle & Stocks, 1998). This is mainly due to TPF ability of making tasks clearer through providing task knowledge and/or “knowledge of the functional form of the correct model” (Leung and Trotman, 2005, p.539).

Pitkänen and Lukka (2011) conceptualise feedback in accounting not as neutral information, but as socially embedded and shaped by organisational interaction. More recent empirical work by Erickson et al. (2022) similarly demonstrates that feedback effectiveness depends on how users interpret and integrate information into their work practices, reinforcing the relevance of participatory and dialogical feedback designs.

This thesis argues that task knowledge can be co-developed through employees’ participation in TPF which allows the two-way flow of information between employees and management. This dual flow of information is critical to develop employees and organisational performance (Otley, 1999). The next section ([Information Flow \(two-way\) and Learning, page 19](#)) below explores the importance of information flow to individual and organisational learning.

There is some support for the argument that when task-properties feedback is combined with outcome feedback, task learning is enhanced. For example, earlier work (e.g., Cook, 1968; Hoskin, 1983) argued that outcome feedback coupled with information about the task context helps individuals refine performance. Feedback on outcomes remains central in uses of management control systems (Otley & Berry, 1980; Demski, 1980; Libby, 1981).

In this light, outcome feedback is crucial in establishing the “contextual properties of tasks” (Luckett & Eggleton, 1991, p. 388). Further, outcome feedback—even when not directly improving task learning—may link goals and efforts by indicating the level of effort required to reach a standard (Becker, 1978).

More recent accounting research refines this picture: for example, Papiorek & Hiebl (2023) show that the quality of information systems delivering feedback affects the effectiveness of management control systems, pointing to the importance of how feedback is delivered.

Douthit, Schwartz & Stevens (2022) find that the signalling effect of control-choice (i.e., whether the superior chooses feedback/control regime) reduces slack, implying the structure surrounding feedback matters.

Deng, Liu & Wen (2020) show that different accountability-oriented feedback mechanisms (variance investigation) interact with individual moral development, again highlighting that outcome feedback alone is insufficient without context, structure and interpretive capacity.

Thus, providing outcome feedback retains motivational and diagnostic value, but it is most effective when paired with feedback on task properties (processes, strategies, context) and when learners or systems are equipped to interpret and act on it.

According to *feedback intervention theory*, the focus of recipients' attention of feedback influences the effectiveness of the feedback, hence performance (Kluger and DeNisi 1996). The theory divided the focus of attention into two levels, that is task-level and self-level.

The recipient's perception of feedback to be on task-level is desirable as it directs behaviour towards improving task performance. When feedback is perceived to be on task-level, it is "most likely to produce the desired effect of feedback on motivation and, subsequently, on performance" (DeNisi and Kluger 2000, p.131).

Conversely, when feedback is perceived to be on self-level, it is predicted to be fruitless as "concern over reasserting or defending one's self-image could interfere with the ability to focus on the task itself and improve performance" (DeNisi and Kluger 2000, p.131).

This is a very important shift of perception where "participation" and "task properties feedback" promote the focus on tasks, proposing a change from self-level which could be

promoted by the conventional one-way flow of feedback information. The benefit of this change is discussed in the next section ([Information Flow \(two-way\) and Learning, page 19](#)).

In summary, the literature across psychology and accounting disciplines converges on the idea that feedback is a multi-dimensional construct whose effectiveness depends on both its content and delivery. Task-properties feedback and outcome feedback serve complementary roles. The former enhances understanding of task structure and decision cues, while the latter signals performance standards and effort requirements.

Integrating the two can thus foster deeper task learning, particularly when supported by participatory mechanisms that facilitate two-way communication. Recent developments in management accounting research further highlight that the form, timing, and interpretive context of feedback determine whether it motivates learning or merely reports outcomes. These insights highlight the need to design feedback systems that not only convey performance results but also engage employees in interpreting and co-constructing task knowledge.

Accordingly, this thesis advances the literature by conceptualising task-properties feedback as a participatory, two-way information process that complements outcome feedback to promote both individual and organisational learning — a theme further explored in the following section on information flow and learning.

Information Flow (two-way) and Learning

Research on feedback-seeking behaviour emphasises that employees are not passive recipients of feedback but actively seek, interpret, and shape feedback to reduce uncertainty and improve performance (Ashford & Cummings, 1983; Ashford, 1986; 1993). This perspective aligns with the participatory TPF approach adopted in this thesis, where employees co-construct task information rather than merely respond to managerial evaluations.

For more than a semi-century, organisational learning and knowledge as a research field has attracted many scholars and developed an increasing interest (Argyris, 1977; Rashman et al.,

2009; De Waal and Counet, 2009; Argote, 2011; Argot and Miron-Spektor, 2011; Popova-Nowak and Cseh, 2015; Lye et al., 2020).

According to Argote and Miron-Spektor (2011), from a practical perspective, the growing interest in organisational learning is derived from organisations' desire to learn and adopt in order to secure long-term success and performance.

For nearly three decades organisational learning is considered to be a concept that has been shared across many disciplines and used by various academic researchers (Dodgson, 1993). According to Lye et al., (2020) organisational learning continues to maintain its popularity in the twenty-first century with various positions to its social meaning, hence discrete ontological views.

It is useful to first discuss the notion of organisational learning. Organisations' alteration to a change in their environment has been described by different terms like: learning; change; and adoption (Fiol and Lyles, 1985).

However, these terms have been used inconsistently with their meanings (see Hedgerg, 1981; Meyer, 1981; Fiol and Lyles, 1985). Thus, as Argote and Miron-Spektor (2011) suggested, most researchers, including the author of this thesis, would agree with Fiol and Lyles' (1985, p. 803) definition of organisational learning, which is "the process of improving actions through better knowledge and understanding."

The ability of performance measurement systems to drive organisational learning has an evident share in empirical accounting literature (e.g., Kloot, 1997; Otley, 1999; Van Helden et al., 2001; Rouse et al., 2002; Chenhall, 2005; Henri, 2006; de Waal and Counet, 2009; Hall, 2016; Adonis, 2018; Jardioui et al., 2019; Henri, 2019; Widener, 2020).

To Otley (1999), information is an important ingredient in organisation learning as it improves performance measurement system through producing corrective actions and prevent the reoccurrence of problems. Therefore, how individuals in organisations acquire and use information is essential to organisational learning (Argyris and Schon, 1978; Fiol and Lyles, 1985). The TPF plays a critical role in how employees acquire and use task information,

however their participation is what makes the information flow dual by enabling knowledge transfer to organisation.

The process of organisational learning is dynamic and links numerous levels: individual, group and organisational (Crossan et al., 1999). Huber (1991) – who is an influential contributor to information processing – highlighted 4 constructs that form the organisational learning: knowledge acquisition (resources of knowledge); information distribution (the process of information sharing across different levels); information interpretation (the meaning of information sharing process to different levels); and organisational memory (knowledge storage for future retrieval).

knowledge acquisition and information distribution are seen as highly related elements to employees' participation in TPF. As employees are very close to business operating environment, organisations may consider them as a subprocess for acquiring knowledge (see Huber, 1991). Thus, their participation in constructing knowledge about tasks allow them to be a great source of knowledge (i.e., knowledge acquisition).

For instance, Argyris and Schon (1978, p.9) posited that “organisational learning is not merely individual learning, yet organisations learn only through the experience and actions of individuals”. This conclusion was also asserted by Kim (1993) when the strategic importance of shared mental models is emphasised through the link of information transfer from individual level to organisational level.

Additionally, passing information to different levels promotes organisational learning by acting as feedback and feedforward tools that assist in producing an “immediate corrective action” (Otley, 1990, p.369). This is essential to complete the “control loop” and develop a centre for trainings in the “learning organisation” (Otley, 1990, p.369).

Also of significance is to document any control loops as it helps “to distinguish the different timescales and learning processes involved “(Otley, 1990, p.369).

Accordingly, the Figure 2.1 shows the proposed model of knowledge transfer.

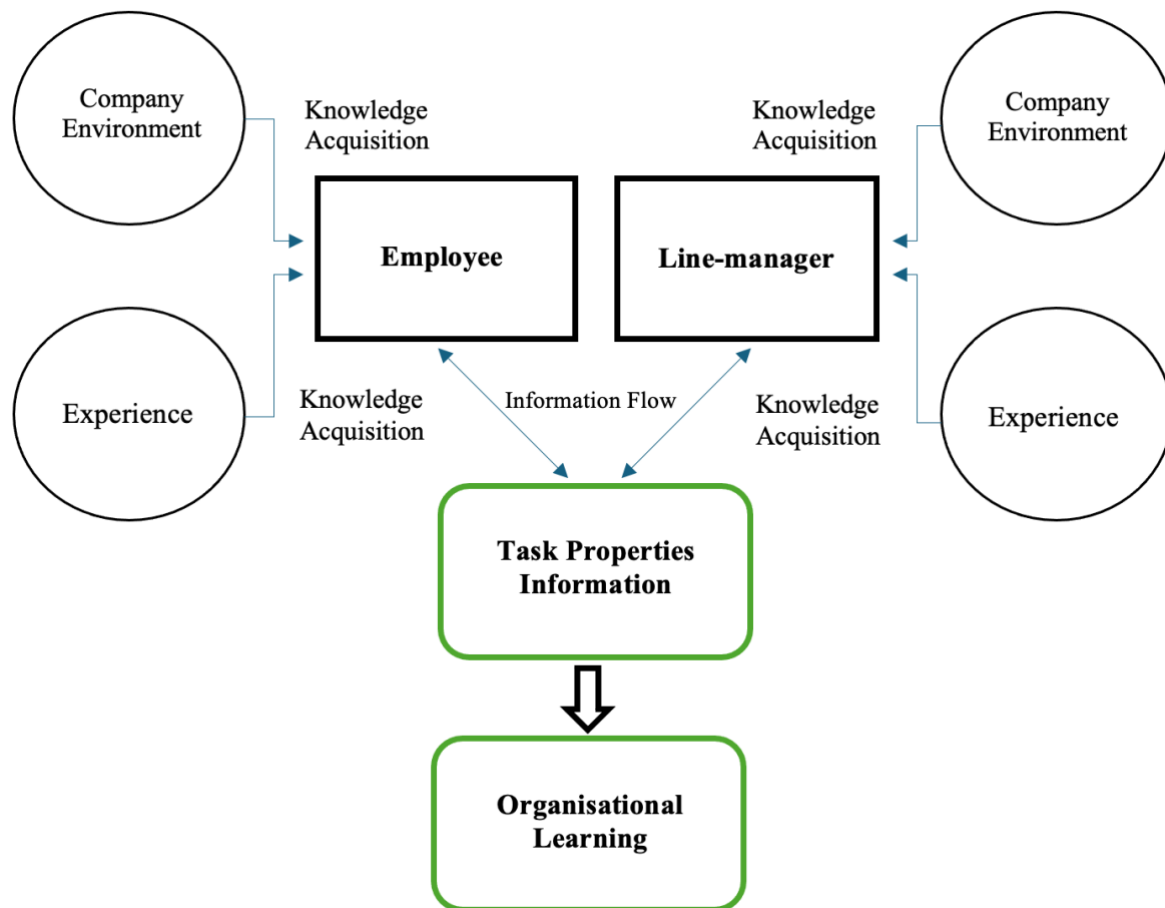


Figure 2.1: Model of two-way flow of information

Figure 2.1: Model of Two-Way Flow of Information illustrates the dynamic interaction between employees, line-managers, and the wider organisational context in the process of knowledge acquisition and organisational learning. The model demonstrates that both employees and line-managers acquire knowledge through two main sources: their company environment and personal experience.

These external and internal sources contribute to their understanding of task requirements, organisational goals, and situational factors that influence performance.

The model emphasises a bidirectional flow of information between employees and line-managers. This flow ensures that knowledge and insights gained at different hierarchical levels are exchanged and integrated. Employees contribute experiential and situational

knowledge derived from task execution, while line-managers provide strategic and contextual information based on broader organisational objectives and managerial experience.

The exchange between these two parties leads to the refinement of task properties information, which represents the synthesis of individual insights and contextual knowledge relevant to specific work processes. This shared information forms the foundation for organisational learning, whereby the organisation as a whole benefits from the collective experiences and knowledge of its members.

In essence, the model highlights that learning within organisations is not unidirectional—from management to employees—but rather a reciprocal process. Effective information exchange and knowledge integration between employees and line-managers enhance the organisation's adaptive capacity and its ability to learn from both environmental factors and individual experiences.

Additionally, organisational learning occurs when potential behaviours are altered through the processing of information (Huber, 1991). Systems development (e.g., PMS) in organisations produces knowledge that is introduced by interpreting and storing information (Huber, 1991; Chenhall, 2005; Henri, 2006). These systems help to establish the conditions which upon individual learns (Hall, 2011). However, amassing individual learning does not form the organisational learning (Argyris and Schon, 1978).

Organisational learning happens when certain conditions exist. These conditions are individual actions and thoughts (Vandenbosch and Higgins, 1995; Romme and Dillen, 1997). Task-properties feedback promotes learning through providing information that allow employees to better link their actions and thoughts (Balzer et al. 1992; Leung and Trotman 2005). Particularly, the performance gap between actual performance and predefined measures may act as a targeted learning opportunity (Otley, 1999).

Accordingly, in this thesis, the aim is to use the TPF as a learning tool and the learning process is proposed to be introduced by employees' participation in developing their task-properties feedback.

There is an extensive debate about whether management control systems (e.g., PMS) hinder or support the learning process. One side sees that these systems do not help in the learning process (e.g., Argyris, 1977; Hedberg and Jonsson, 1978; Staw and Boettger, 1990). The other side suggest that it spurs curiosity and promotes the questioning of existing rationales (Kaplan and Norton, 1996b; Chenhall, 2005; Henri, 2006). More importantly for this thesis, employees' dissatisfaction with performance measurement has been regarded as high at all times (Adler et al., 2016), even to high performers (Aguinis, Joo, & Gottfredson, 2011; Culbertson, Henning, & Payne, 2013).

As a remedy, some research emphasises the use of individual strengths rather than weaknesses in performance evaluation (e.g., Woerkom & de Bruijn, 2016). Understandably, focusing on individual unique qualities has its own benefits due to the positive role it plays in giving employees the flexibility to personalise the job according to their strengths (Rousseau, Ho, & Greenberg, 2006; Berg, Wrzesniewski, & Dutton, 2010). Also, it has the ability to highlight top performance (Miner, 1987, 1991).

However, human beings have the instinct to correct or mitigate any challenging event that may result in unfavourable outcomes (Taylor, 1991). Additionally, according to the functional theory of counterfactual thinking (Epstude and Roese, 2008), weaknesses elaboration is still useful as we are affected by loop-governing behaviour, which is correcting problems after our change in behaviour is evoked.

Overall, the literature demonstrates that organisational learning is a multifaceted process grounded in the acquisition, interpretation, and utilisation of information across individual, group, and organisational levels. The proposed model (Figure 2.1) extends this understanding by highlighting the two-way flow of information between employees and line-managers as a central mechanism for knowledge transfer and organisational adaptation.

Within this framework, the Task Properties Feedback (TPF) functions not only as a performance tool but also as a learning mechanism that enables employees to align their experiences and insights with organisational objectives.

By fostering reciprocal information exchange and reflective dialogue, organisations can transform individual experiences into collective learning, thereby strengthening their adaptive capabilities. This view situates TPF as a practical bridge between performance measurement and learning, addressing the persistent tension in the literature regarding whether management control systems constrain or enable learning.

Consequently, this thesis adopts the position that employee participation in the development and use of TPF represents a critical pathway through which performance feedback can evolve into meaningful organisational learning.

Counterfactual Thinking and Performance Initiative

Counterfactual thinking of employees is the first construct of four constructs explored in this thesis. Management accounting literature has suggested that effect on behaviour can happen in relation to two effects, cognitive and/or motivational effects.

In the context of this thesis, employees counterfactual thinking is utilised as a cognitive effect. Accordingly, employees' participation in TPF is perceived to influence their behaviour by informing their counterfactual thinking (a cognitive process). This informing process is basically an attempt to update employees' mental models. Then, the functional theory of counterfactual thinking, particularly the content-specific pathway, is used to guide on how this update might change employees' behaviour.

So, this section examines the importance of counterfactual thinking in regulating behaviour and the next sub-section ([The Importance of Mental Models, page 28](#)) reviews the relationship of counterfactual thinking, mental models, and behaviour.

A common feature of human consciousness, perhaps even essential, is to think what might have been in relation to alternatives of past events. This feature of the mental landscape is called *counterfactual thinking*. Earlier, the term counterfactual has been coined by philosophers and defined as “a proposition that is contrary to fact, in that it specifies a situation or a scenario that did not actually happen” (Roese & Epstude, 2017, p.3).

One possible way of understanding counterfactual thoughts is to capture it as representations of conditional propositions. These representations comprise *if* as an antecedent and *then* as a consequent, as in “If only I wasn’t speeding, then I would have saved more fuel”, that is driving with due care improves fuel consumption. Accordingly, this contingent structure is suitable for causal inference that has the ability to depict contextual relationships with reasonable degree of accuracy (see Roese & Epstude, 2017).

The functional view of counterfactual thinking is developed from the essential role it plays in behaviour regulation (Epstude & Roese, 2008). Thus, the functional theory is built around the core idea, which is that counterfactual thinking shines through its association with goal-directed cognition (Roese, 1997; Epstude & Roese, 2008, 2010, 2011).

According to Roese & Epstude (2017), under the functional theory, counterfactual thinking is treated as a mental stimulation and defined as a mechanism that assist in navigating individual’s outlook through creating parallel representations to experienced structures and events. Moreover, the functional theory pays more attention on the association of episodic counterfactual thoughts to goal-directed cognition and actions. Roese & Epstude (2017, p. 7) defined episodic counterfactual thoughts as a type of counterfactual thoughts that “focus on personally meaningful alternatives to events that were experienced first-hand”.

This type of thoughts has distinctive features, which are: (1) it can be controlled; (2) it is not a random fiction. Put differently, episodic counterfactuals are bounded by reality and only limited alteration would happen to actual events where proposed alternatives are reasonable and viable (Seelau, Seelau, Wells, & Windschitl, 1995). This is very important as employees’ participation in TPF is proposed to alter their episodic counterfactuals where the co-developed information in task properties is based on their interpretation of reality. Then, the feedback should reflect acceptable and co-developed directions.

In a general sense, when we think “if only” we frequently think about achieving unrealised desire (Roese & Epstude, 2017). The focus of this thesis is on the episodic counterfactual thinking, which for simplicity, will be shortened to counterfactuals.

Counterfactuals regulate behaviour through a negative feedback loop, which consists of an individual's present goal state, optimal goal state, and the actions needed to minimise the gap between the present and optimal goal state (Carver & Scheier, 1996). The greater the gap, the greater the motives to initiate behaviours aimed at reducing the gap.

In relation to thesis, when employees receive their performance feedback, they are expected to form counterfactuals (Sanna & Turley-Ames, 2000; Hur, 2001). These counterfactuals are about their current performance state (present goal), optimal performance state (optimal goal), and the actions required to reduce the gap between the two states.

In particular, participating in developing task properties feedback acts as a creation of a hub of heuristic information that assist in reducing the gap and inaugurate a continuous learning process, which in turn may assist in developing employee's performance initiative. This is consistent with Roese (1994) assertion, which is counterfactual thoughts when pertained to goal cognition, may serve as an effective tool to facilitate performance improvements.

Another important rationale for considering counterfactuals is that oftentimes spontaneous human reasoning can be unexpectedly accurate as demonstrated by attribution and cognitive closure research (see Kruglanski & Freund, 1983; Försterling, 1994). However, as individuals generally use heuristics to save time and efforts, it may lead to predictable errors that result in unsound reasoning due to the simplification happened to the process used in making actions and judgements (see Gilovich, Griffin, & Kahneman, 2002).

The accuracy of counterfactuals inference can be enhanced through an individual's motivation to reach a sound judgment (Kunda, 1990; Epstein and Roese, 2008) and individual's capacity to process information (Sherman & McConnell, 1995; Kahneman, 1995). In relation to spontaneous counterfactuals, accuracy can be improved through a particular mechanism associated with goal-directed cognition (Epstein and Roese, 2008).

This mechanism is proposed to be derived from the co-development of task properties feedback that continuously update mental models to feed counterfactuals with accurate information in relation to actions and thoughts viability to attain current objectives.

Additionally, counterfactuals are swift and spontaneous (Hassin, Bargh, & Uleman, 2002), particularly after an unwelcomed outcome (Miller, & Claire, 1990; Kanazawa, 1992). Therefore, for a behaviour to be positively and involuntarily affected by counterfactuals, there has to be a simultaneous informing process (Epstude & Roese, 2008). As performance feedback triggers individuals' counterfactuals (Roese & Hur, 1997; Sanna & Turley-Ames, 2000; Hur, 2001), employees' participation in developing task properties feedback may represent the synchronous updating process to counterfactuals. In other words, co-developed task properties feedback has the potential to ensure accuracy, hence ensuring the functionality of counterfactuals.

The discussion of the content-specific pathway in the functional theory of counterfactual thinking is positioned in the next sub-sections. The first sub-section ([The Importance of Mental Models, page 28](#)) will review the notion of "mental models" and how it is related to behaviour. Then, the next sub-section ([Mental Models and Counterfactual Thinking, page 30](#)) will explore the rationality of using the content-specific pathway to guide on behaviour influence. This division is important in understanding the first objective of this thesis: *the potential of influencing employees' initiative by using co-developed TPF as an updating process to their mental models* ([Research Question and Objectives of The Thesis, page 7](#)). This is mainly due to the connection in this thesis between updating employees' mental models and using the content-specific pathway as a guide to influence behaviour.

The Importance of Mental Models

Employees' behaviour, as human beings' behaviour, is based on an individual's construction of reality (Vennix,1996). These constructed realities are called mental models (De Haas & Algera, 2002). The organisation, as a social system, represents an example of a mental model produced by employees' cognition. Neisser (1967) has given us persuasive evidence that human minds use the information received from the environment through senses to construct external reality rather than passively store it and summon it up. In other words, people behaviour is based on the mental models they built from their environment, and then from the information they absorb and interpret within this (Vennix,1996).

Furthermore, when the environment changes, the mental models are developed through a process termed double looped learning¹ (Argyris and Schon, 1978) as individuals respond to new observations of reality. For example, Hall (2011) investigated the possibility of improving managers' performance through updating and changing mental models, hence developing learning capabilities. Receiving accurate information is crucial in updating mental models properly, which in turn inform counterfactual thinking. However, information receiving is not a straightforward process.

The human mind is biased in selecting and recalling information from the dynamic environment. Selectivity is a natural trait of any human mind due to three cognition limitations (De Haas & Algera, 2002). First, the human mind has limited thinking capability.

As a result, establishing causal links and interconnections are problematic for most of the people (Dörner, 1980). Second, the human mind has limited information processing capacity, which is known as 'bounded rationality' (Simon, 1948). Miller (1956) has explained and measured the capacity of human's short-term memory, he found that it can hold between 5 and 9 pieces of information.

Moreover, according to Hogarth (1987), in order to reduce mental efforts and information overburden, people (un)consciously lean toward reducing complexity. Third, the attention range is limited, so in order for information to be processed it has to go through the bottleneck of attention, which is relatively small in comparison to the amount of information being processed (Simon, 1985).

Due to these limitations, people select and recall certain information, and in turn build incomplete mental models by definition. Therefore, there is always a need for more specific feedback information to strengthen individuals' mental models and improve decision making. For instance, by only adding performance information markers (i.e., above-target, below-target, and on-target) users' comprehension about the system changes, which in turn alter their behaviour (Cardinaels and Van Veen-Dirks, 2010).

¹ Double-loop learning or reflexivity is an individual reflection on the learning process (Covaleski and Dirsmith, 1990)

According to feedback intervention theory (Kluger & DeNisi, 1996, p.262), individuals are most likely pay attention to feedback interventions and these interventions are not expected to be ignored because they signal “potentially serious implications for the self“.

Further, according to expectancy theory (see Campbell and Pritchard, 1976; Mitchell, 1973), performance feedback interventions play a vital role in enhancing individuals’ belief (i.e., expectancy) in performing at a satisfying level. That is providing information that influence the relationship between efforts and performance.

Accordingly, this highlights the importance of the information presented in the co-developed TPF. The focus in the thesis is on how to stimulate employees’ initiative behaviour through participating in developing task properties feedback. That is developing specific, useful, and meaningful information to them that assist in updating their mental models used for task decision making.

The intervention is not only an attempt to glean valuable insights into the feedback information flows, but also participates in addressing an important and broader question, which is “how could performance feedback be improved?”.

Moreover, the process of updating employees’ mental models is proposed to encounter the aforementioned cognitive constraints through establishing interconnections, unburden employees from information processing, and shift attention to important and meaningful information.

Mental Models and Counterfactual thinking

Mental models are mentally structured to resemble the structure of reality, and they explicitly capture a scant amount of information based on memory limitations, as noted above (Byrne, 1997). Due to these memory limitations, models may represent the greatest extent possible of the remaining information implicitly (Johnson-Laird & Byrne, 1991).

Normally, individuals’ mental models represent a statement of reality, whether it is interpreted to hold negative or affirmative views of reality (until at some tipping point the

view of reality changes). It is in contrast to this view of reality that the role of counterfactual thinking emerges. The information captured in mental models reflects an individual's view of how the world 'really' is without presenting the missing information.

The individual processes information through counterfactual thinking as imaginary alternatives of what could happen, have happened in a situation. Counterfactual thoughts are imaginary representations of alternatives (i.e., better or worst) to what actually happened (Byrne, 2005; Roese, 1997). Unlike mental models, normally individuals generate counterfactual thoughts because it tries to capture all of the information, including the missing information, which in turn assist in developing performance initiative (e.g., Markman et al., 1993; Roese, 1994).

The importance of counterfactual thinking is heightened when there is a challenging event. As a normal human being, employees tend to make juxtapositions of their real performance and possible imaginary better/worst previous scenarios (i.e., counterfactual thinking) (Sanna, Stocker, & Clarke, 2003). This inquisitiveness is spurred by "what might have been?" scenario.

To Byrne (2002), the answer to the imaginary questions of "what if" triggered by counterfactual thinking is reliant on the constructed reality in mental models. So, the effectiveness of counterfactual thinking to end any deficit is confined by the information available in mental models. The learning process of updating or confirming mental models to drive performance is not novel where numerous studies explored its potential (Markman, 1999; Markman and Gentner, 2001; Birnberg et al., 2007; Hall, 2011).

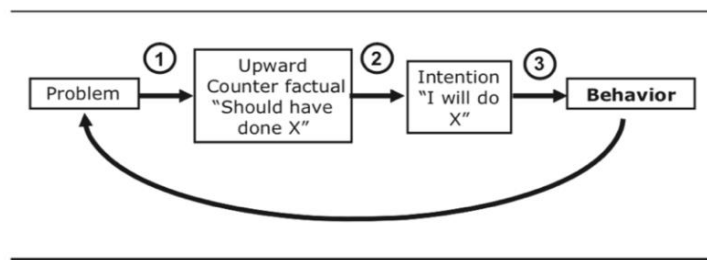
However, in this thesis, the impact on employees' initiative through updating their mental models is guided by the content-specific pathway within the functional theory of counterfactual thinking. This mainly due to employees' counterfactuals is proposed to be triggered by TPF as suggested by Sanna et al., (2000) and (Hur, 2001).

The functional theory of counterfactual thinking (Epstude & Roese, 2008) posits two pathways for behavioural change. The first pathway is the content-specific pathway (see Figure 2.2), which is the one utilised in this thesis.

This pathway is content specific where behavioural change is derived from a particular information (i.e., content). Conversely, the second pathway, content-neutral, functions with more generalised information, where the resulting behaviour is shaped by factors such as mindset and motivation, operating independently of counterfactual information. Accordingly, the suitability of pathway selection (content-specific pathway) is based on the aim of updating employees’ mental models with specific tasks information (i.e., TPF).

Figure 2.2: The content-specific pathway by which counterfactuals influence behaviour.

SOURCE: Epstude & Roese, 2008 and they adopted it from Roese & Olson, 1997, and Segura & Morris, 2005.



In summary, the co-developed task properties feedback (TPF) between employees and their line managers functions as a continuous information mechanism that updates employees’ mental models and enhances the accuracy of their counterfactual thinking. Through this collaborative process, employees are provided with relevant, context-specific insights that enable more informed decisions and foster performance initiative.

Nevertheless, while counterfactual thinking explains how employees cognitively process and adjust their behaviour through mental model updating, it is equally important to consider the clarity of the information they receive regarding their roles and responsibilities. The degree to which employees understand what is expected of them can significantly shape how they interpret and act upon performance feedback. This brings forward the second construct explored in this thesis — Role Ambiguity (RA) — which examines how the clarity of role-related information influences employees’ performance initiative.

Role Ambiguity and Performance Initiative

Role Ambiguity (RA) is a critical concept within organisational studies, particularly in understanding how cognitive mechanisms influence job performance. As the second cognitive mechanism explored in this thesis, RA plays a significant role in shaping employee

behaviour and decision-making. The relationship between role ambiguity and performance has been widely studied, with implications for how organisations manage tasks, feedback, and employee development. This section aims to explore RA's impact within the broader context of information processing and performance measurement systems, drawing on prior research to build a foundation for the subsequent analysis.

The information processing model proposed by Galbraith (1974) suggested that unclear job tasks require more information to be processed, so the amount of information to be processed increases proportionally with task uncertainty. As a result, this prevents activities preplanning and leads to alteration in resource allocations, schedules, and priorities. Galbraith's model is consistent with Burney and Widener (2007) assertions of role ambiguity, that is performance is affected by the availability of information.

The assumption of any vacancy is that there is a set of tasks designed before selecting any candidate (Miner, 1987, 1991). Then, organisations assess the vacancy merit based on the candidates' potential to fulfil a specific criterion of that vacancy. After the recruitment phase, the new employee's performance is evaluated, managed, and developed through using predefined rating scales (Hall, 2004).

This conventional assumption may direct managers and employees to focus on the evaluation outcomes rather than on how to actually develop performance (Adler et al., 2016). The co-developed task properties feedback in this thesis is suggested to have the potential to shift attention to how to improve performance and deliver job effectiveness through reducing role ambiguity.

Oftentimes, performance feedback is associated with task outcomes, which helps in comparing the desired outcome (reference) to task outcome (actual). This comparison may indicate that there is a need to "search for alternative strategies" (Lockett & Eggleton, 1991, p. 386). However, strategy development depends on the feedback's ability to direct behaviour toward recognisable alternative actions — that is, feedback must be specific, actionable, and framed so that recipients can identify different approaches to the task (Taylor et al., 1984; Kluger & DeNisi, 1996).

Recent studies support this view, suggesting that feedback effectiveness depends on its focus on task processes rather than personal attributes (Anseel et al., 2015; Dahling & O'Malley, 2011). More recent work indicates that when feedback is detailed, timely, and forward-looking, it facilitates strategy adaptation and continuous learning, especially in dynamic or digital performance environments (De Stobbeleir et al., 2020; Johnson et al., 2023). This emphasises the idea that some understanding of the task's nature and of the recipient's prior behaviour is necessary in addition to outcome information (Luckett & Eggleton, 1991, p. 386).

People have the ability to learn behaviours from the role they play in society (or in an organisation) (Katz and Khan, 1978). The blurry picture of an individual's role (i.e., ambiguity) may lead them to develop role stress. Role stress has been investigated in public accounting (e.g., Fogarty et al., 2000), in management accounting (e.g., Figler, 1980), and in budgeting (e.g., Greon and Chong, 2002).

In performance measurement system literature, Burney and Widener (2007) concluded that role ambiguity (RA) as a role stress has an inverse relationship with performance. Thus, the perception of lower RA may lead to higher performance. RA originates when an individual does not have the necessary information to decide on expected job behaviour and also when there is a lack of guidance about responsibilities, tasks, and authority (Netemeyer et al., 1990; Pasewark and Strawser, 1996; Tubre and Collins, 2000). Burney and Widener (2007, p.48) described role ambiguity as "the gap between the information needed to properly perform a job and the information available".

The thesis aims to fulfil that gap through constructing a feedback information hub that assists in promoting clearer roles, thereby reducing role ambiguity (RA) and enhancing performance. This aligns with Hall's (2004) conclusion that performance measurement systems (PMS) have the ability to communicate information that clarifies employees' roles. Recent studies support this claim, showing that well-designed feedback and performance systems improve role clarity and, consequently, performance outcomes (Kim & Lee, 2020; Shujahat et al., 2025). Research on public sector employees similarly demonstrates that performance feedback fosters goal clarity, which mediates the relationship between feedback and individual performance (Park & Kim, 2020).

Moreover, evidence indicates that perceived role clarity enhances both innovative and adaptive work behaviour, reinforcing the importance of clearly defined roles (Soomro & Shah, 2020). Complementary findings also suggest that enabling PMS designs promote procedural fairness and transparency, helping employees better understand their roles and responsibilities (Van Veen-Dirks & Wijnmaalen, 2021).

Collectively, these findings highlight that feedback structures which enhance clarity around expectations and goals can reduce RA and contribute to sustained performance improvement.

Goal-setting theory anticipates that by defining goals, employees' role becomes clearer, that is to know what to do (Latham and Locke, 1979), then as a result role ambiguity (RA) should be lessened (Robbins, 2003). Furthermore, there are two assumptions associated with role ambiguity and goals formalisation.

The first assumption is that linking formalisation of goals leads to less role ambiguity (RA) (Rogers and Molnar, 1976). The second assumption is that by increasing formal communications with employees, roles would be clearer (Robbins, 2003). Robbins (2003) also noted that employees' behaviour is influenced by how they comprehend the system not by how the system is designed. This implies the reliance on mental models.

Moreover, a clear definition of roles is crucial to assist in avoiding role ambiguity (RA) increase, hence preventing performance from decreasing through individuals misguided behaviours (Jackson and Shuler, 1985). However, performance feedback reveals deficiencies in employees' performance, which may signal that goal progress is problematic or insufficient (Schwarz & Clore, 1983; Schwarz, 1990). This negative effect may act as general alarm or a signalling system, which triggers counterfactual thinking (Epstude and Roesse, 2008).

The activation process produces a range of cognitive activity as different individuals may cognise goals in various ways (Taylor, 1991; Lieberman, Gaunt, Gilbert, & Trope, 2002). For example, optimists would perceive their goals in a distinct way in contrast to a defensive pessimist (Sanna, 1998). Accordingly, goals formalisation may not be enough as the act of

evaluating performance may introduce gaps that require more individualised elaboration to ensure lower role ambiguity, hence the need for co-developed task properties feedback.

Taken together, the co-developed task properties feedback (TPF) between employees and line managers serves as a mechanism to mitigate the adverse effects of role ambiguity by fostering shared understanding, continual clarification of expectations, and adaptive performance discussions. Through this collaborative feedback process, employees gain a clearer perception of their responsibilities and the behavioural standards expected of them, which in turn promotes consistent performance initiative and reduces uncertainty in decision-making.

However, while reducing role ambiguity is crucial for clarifying responsibilities and improving feedback effectiveness, the quality and relevance of the information exchanged ultimately determine how employees interpret and act upon such feedback. The degree to which individuals access and utilise job-relevant information (JRI)—that is, information directly linked to their tasks and decision-making—plays a pivotal role in shaping performance outcomes.

Given the conceptual overlap between RA and JRI, it becomes essential to explore how JRI operates within the co-developed TPF framework to further enhance clarity, learning, and performance initiative.

The following section therefore examines JRI as the third cognitive mechanism, highlighting how the availability and meaningfulness of task-related information influence employees' capacity to initiate and sustain effective performance improvements.

Job-Relevant Information and Performance Initiative

This section examines Job-Relevant Information (JRI) as a third cognitive mechanism in the context of performance evaluation. It is important to address job-relevant information (JRI) when role ambiguity (RA) is under study. This significance is mainly due to the overlap between them.

They both share similar constructs but serve different purposes. Kren (1992: p.513) clarified job-relevant information (JRI) as “the information available to a manager”, while role ambiguity (RA) as “extent to which managers understand their duties and responsibilities”.

Researchers have been studying the association between job-relevant information (JRI) and role ambiguity (RA) based on the assumption that job-relevant information may lead to lower role ambiguity, and in return engender better performance.

For example, Burney and Widener (2007) investigated this association and concluded that job-relevant information (JRI) has an influence on role ambiguity (RA). They suggested that when the performance measurement system (PMS) is utilised for evaluation, it positively influences individuals’ performance. This effect was believed to stem from reduced role ambiguity (RA) and increased availability of job-relevant information (JRI).

On the contrary, when job-relevant information (JRI) is limited or suppressed, role ambiguity tends to increase (Rizzo et al., 1970). Recent research continues to support this relationship. Studies show that insufficient role information and unclear communication from supervisors significantly heighten employees’ role ambiguity and job stress (e.g., Tang & Chang, 2023; Liu et al., 2022; Wang et al., 2021). It is well established that role ambiguity arises when employees lack the necessary information to understand their duties, responsibilities, and performance expectations (Kahn et al., 1964; Rizzo et al., 1970).

It is worth noting that the concepts of job-relevant information and role ambiguity have been extensively examined at the managerial level in management accounting and organisational behavior literature (e.g., Chong & Eggleton, 2007; Salmon & Joiner, 2005).

However, in the context of this thesis, both terms are applied specifically to subordinates, that is, employees operating below the managerial level. Recent studies have begun to emphasise this level of analysis, showing that supervisors’ information sharing and communication clarity play a crucial role in reducing subordinates’ role ambiguity and improving their job satisfaction and performance (e.g., Kim et al., 2020; Wang et al., 2023).

One of the key features of job-relevant information is facilitating job-related decision making (Kren, 1992). The rationale behind that it can “improve employees’ knowledge, thereby enhancing their ability to make organisationally desirable judgment and decisions and better-informed action choices” (Sprinkle, 2003, p. 302). The job information is considered relevant if it decreases tasks’ uncertainty (Romney & Steinbart, 2003). However, more job information does not mean better informed decisions, hence better performance.

The level of task uncertainty plays a critical role in determining the amount of job-relevant information required for effective performance (Galbraith, 1974). When task uncertainty is low, an excessive flow of information can lead to information overload, which occurs when the volume or complexity of information exceeds an individual’s cognitive processing capacity (Rosen & Schneck, 1969). A considerable body of research has confirmed that information overload negatively affects performance, decision-making quality, and the perceived usefulness of information (Keller & Staelin, 1987; Gul & Chia, 1994; Chong, 1996; Romney & Steinbart, 2003; Eppler & Mengis, 2004).

More recent studies continue to validate these effects, demonstrating that information overload impairs analytical judgment, reduces decision accuracy, and increases stress and fatigue in modern work environments (e.g., Jackson & Farzaneh, 2012; Lee et al., 2021; Ma & Ma, 2023). Furthermore, information overload has been shown to significantly disrupt human information processing, limiting individuals’ ability to filter, integrate, and utilise relevant data effectively (Chewning & Harrell, 1990; Iselin, 1993; Schick, Gordon, & Haka, 1990; Ma & Ma, 2023).

These findings highlight the importance of aligning the volume and complexity of job information with the level of task uncertainty to optimise decision-making and performance outcomes.

Accordingly, the information on job-relevant tasks should be meaningful and covers all the aspects required to accomplish the tasks successfully. This assumption is particularly related to thesis’ proposal as the task properties feedback was intended to act as a co-developed information hub. As such, the participation of employees is essential to understand the nature of tasks and determine the type and level of information required, hence avoiding information

overload. Then, line-managers role is crucial in confirming (acquiring new knowledge from employees) or suggesting adjustments (updating employees' knowledge).

The use of co-developed task properties feedback was suggested to increase the needed information of job-related tasks which may encourage producing corrective actions. Otley (1999) posited that organisations utilise information for different purposes like: financial budgets; quality control; and as a tool that promotes learning through specifying the required training. He also suggested documenting feedback as it is important for tracking time and learning processes involved.

Otley (1999, p.366) pointed out five potential questions that can be used for future research. The fifth question was “What are the information flows (feedback and feed-forward loops) that are necessary to enable the organisation to learn from its experience and to adapt its current behaviour in the light of that experience?”. This question in particular highlighted the importance of information, emphasising the learning processes through feedback information.

In summary, job-relevant information is central to employees' understanding of their duties, reducing ambiguity, and enhancing task performance. However, its value lies not merely in the quantity of information available, but in the meaningful alignment between the information provided and the level of task uncertainty.

Within this thesis, the co-development of task properties feedback is proposed as a mechanism for generating job-relevant information that is practically relevant, task-specific, and cognitively manageable. By involving employees in defining and refining task-related information, the co-developed feedback process ensures that information is accurate, relevant, and balanced—thus mitigating the risk of overload while fostering shared understanding and learning.

Beyond its informational and cognitive benefits, such participative information exchange carries important social and motivational implications. When employees are invited to contribute to and receive feedback about task information, they are likely to perceive the process as fairer, more transparent, and more respectful of their input. These perceptions of fairness—often conceptualised through organisational justice—play a vital role in shaping

employees' motivation, trust, and willingness to take initiative. Therefore, the next section turns to organisational justice theory, exploring how co-developing task properties feedback can enhance fairness perceptions in performance evaluation and, in turn, influence employees' performance initiative.

Organisational Justice and Performance Initiative

This section serves as a literature review that examines how co-developing Task Properties Feedback (TPF) influences employees' perceptions of fairness in performance evaluation. Organisational justice is introduced as a motivational mechanism that shapes employees' attitudes and behaviours in the workplace. By fostering perceptions of fairness, organisations can encourage greater effort, commitment, and job performance among employees.

Guided by organisational justice theory, this review addresses the role of three key dimensions: distributive, procedural, and interactional justice. These dimensions offer a theoretical lens for understanding how fairness is perceived in organisational settings, particularly in the context of performance measurement. By reviewing relevant studies and theoretical contributions, this section establishes the conceptual foundation for the thesis and positions it within the broader context of organisational justice literature.

While existing management accounting research has largely focused on fairness perceptions at the managerial level, this thesis shifts attention to employees without managerial responsibilities. The review highlights how co-developing TPF can promote fairness through mechanisms such as voice, explanation, accuracy, and bias reduction. By embedding these elements into the feedback process, co-developed TPF can activate organisational justice as a motivational mechanism, encouraging employees to engage more fully with performance-related goals.

The remainder of this section is structured around the three dimensions of justice. It begins with distributive justice, which focuses on the fairness of resource allocation outcomes. This is followed by an analysis of procedural justice, which considers the fairness of the processes leading to these outcomes.

Finally, interactional justice is examined as the social dimension of fairness, focusing on the quality of interpersonal treatment during decision-making. Together, these constructs offer a comprehensive view of how co-developing TPF may influence employees' perceptions of fairness and activate organisational justice as a motivational mechanism in performance evaluation.

Employees and employers alike value fair treatment at work (Folger & Greenberg, 1985; Greenberg, 1990; Sheppard, Lewicki, & Minton, 1992). Consequently, workplace fairness remains a central concern for organisations, and “voice mechanisms deserve careful analysis” (Feuille & Chachere, 1995, p. 27). In general, organisational procedures that enable employees to participate in decision-making processes that affect them are perceived as fairer than those that do not (Folger & Greenberg, 1985; Greenberg, 1990; Sheppard et al., 1992).

More recent research continues to reinforce this association. Studies have shown that employee voice and participative decision-making significantly enhance perceptions of procedural and interactional justice (Kim & Beehr, 2018; Lin et al., 2020; Wang et al., 2021). Inclusive and empowering leadership behaviours, which facilitate open communication and feedback, are found to strengthen employees' sense of fairness and trust (Qi et al., 2023; Luo et al., 2023).

Furthermore, opportunities for employees to express opinions and contribute to workplace decisions are linked to higher motivation, stronger commitment, and improved performance outcomes (Farndale et al., 2022; Kim et al., 2023).

These findings collectively suggest that perceptions of fairness are not only shaped by the outcomes employees receive, but also by the extent to which they are given a meaningful voice in shaping those outcomes.

Similarly, in this thesis, the proposal to co-develop TPF with employees is suggested to have the potential to make performance evaluation decisions, processes, and interactions fairer. Particularly, the enhancement of justice perception is put forward by creating opportunities for employees to voice their views and receive explanations, improving the accuracy of information used in performance evaluations, minimising bias, and ensuring that performance

feedback is consistent, explanatory, and analytic. This section reviews the fourth and final construct used in the thesis. It addresses the motivational construct, guided by organisational justice theory, a well-established framework in social psychology (Greenberg, 1993b).

Organisational justice² remains an important aspect of performance measurement due to its influence on various work-related outcomes (Colquitt et al., 2001; Cohen-Charash & Spector, 2001). This relationship has been consistently documented over time, from early evidence by Ball et al. (1994) to more recent findings by Agarwal (2021), Li and Cropanzano (2022), and Omar et al. (2023), all of which confirm that fairness perceptions significantly affect employees' job performance and related behaviours.

In management accounting literature, performance measurement studies involving organisational justice have appeared to follow a steady pattern (see figure 2.3). This pattern is interested in exploring the relationship between managers' perceptions of justice in relation to different factors and vice versa.

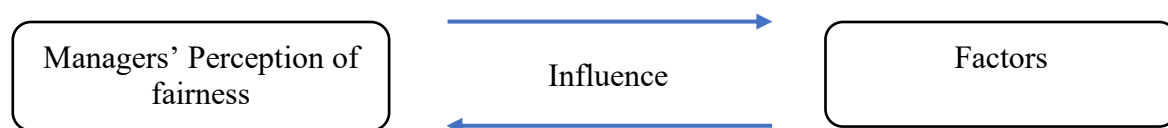


Figure 2.3: Pattern of management accounting studies explored OJ

Notable examples include Lau and Sholihin (2005) who investigated the effect on job satisfaction through perceptions of fairness and trust in supervisor if financial versus non-financial performance measures are used. Also, Giraud, Langevin, & Mendoza (2008) explored the relation between perceptions of fairness and uncontrollable factors in performance evaluation.

Burney, Henle, & Widener (2009) examined the relation between perceptions of fairness and certain strategic performance measurement system characteristics while Voubem, Kramer, & Schäffer (2016) explained how fairness perceptions of annual bonus is affected by subjective performance measures and achievement of bonus target.

² Justice and fairness are used interchangeably in this thesis, similar to organisational justice literature.

Despite the wide effect of performance measurement on all organisational members' perceptions of fairness (Folger & Konovsky, 1989), prior studies in management accounting tend to focus on managerial level (i.e., individuals with managerial responsibilities). Although these studies offered explanations to many relationships involved perceptions of fairness within performance measurement context, they do not consider how employees' perception of fairness (i.e., individuals with no managerial responsibility) is influenced by their performance evaluation system?

Accordingly, the aim of the fourth objective is to extend management accounting literature by exploring employees' perception of justice in relation to their initiative.

Three primary dimensions of fairness appeared in organisational research are used in this thesis to capture the notion of justice. These dimensions are distributive justice, procedural justice, and interactional justice. Giraud et al., (2008, p.35) posited that "Organisational justice theory provides an interesting framework for analysing the perceived fairness related to performance evaluation and controllability".

Consequently, this thesis is intended to contribute to management accounting literature by exploring the influence of employees' participation in the development of their task properties feedback on their perception of distributive justice, procedural justice, and interactional justice.

The first dimension of justice is distributive justice. Distributive justice has been researched for over 50 years. Early studies of distributive justice by Adams (1963, 1965) were grounded in *Equity Theory*, which stipulates that individuals' behaviour in organisations are influenced by fairness of allocations.

Adam (1965) further adopted social exchange theory by Homans (1958), which proposed a ratio of inputs (e.g., education, experience, energy, efforts, and skills) to outputs "outcomes" (e.g., pay, promotions, and status). Employees were found to form similar ratio of their inputs and outputs and use it as a benchmark to contrast the ratio of their co-workers in order to evaluate the fairness of decisions involve distributions, hence triggering their counterfactual thinking.

Another important extension was added by Leventhal (1976) when attempted to introduce justice or fairness into the process by suggesting the distribution (allocation) on the need (equity) basis. Additionally, other researchers suggested that individuals focus on resources allocated to them in relation to group/organisation distributive norms (Deutsch, M. 1975; Forsyth, D. R. 2006.). Two important elements suggested by organisational justice literature to affect the perception of distributive justice: voice and explanation.

Voice is defined as “the ability of subordinates to be involved in a decision process by communicating their views to their superiors” (Libby, 1999, p.126). It is an opportunity that subordinates can utilise to express their interests upward (Greenberg & Folger, 1983). There are many formal procedures (i.e., voice procedures) that can be considered by organisations (Saunders & Leek, 1989). These procedures should promote employees’ participation and involvement (Feuille & Chachere, 1995). A notable example of voice procedures is job enrichment (Feuille & Chachere, 1995).

To Sheppard et al. (1992), this type of procedure is called “preventive voice” because it is designed in a way that gives employees a space for their opinions and thoughts before decisions are final. More recent studies have built on this foundation by emphasising voice as both a procedural right and a behavioural expression of employees’ willingness to contribute constructively to organisational functioning (Morrison, 2011; Li et al., 2021; Erdogan et al., 2022).

Explanation involves providing justifications for decisions, particularly when employees’ preferences are not fully incorporated into outcomes (Bies, 1987b; Bies et al., 1988; Tyler et al., 1984). Early studies highlighted that clear explanations improve trust and perceptions of procedural fairness, while more recent work shows that timely and transparent justifications foster acceptance and engagement (Colquitt et al., 2013; Van den Bos et al., 2019; Chen et al., 2021; Li et al., 2022).

When combined, opportunities for voice and explanation create a process in which employees feel both heard and informed—a condition that enhances the legitimacy of managerial decisions and the perceived fairness of outcomes.

Building on this conceptual foundation, participative performance systems that integrate these elements—allowing employees to contribute information and understand evaluative reasoning—are likely to reinforce fairness perceptions. In particular, these mechanisms align closely with the participative feedback approach developed in this thesis, where both voice and explanation are embedded within the task-properties feedback process.

Thus, in this thesis employees' participation in TPF is seen to have the potential to positively influence the perception of fairness, particularly the perceived fairness of the performance evaluation outcome. This enhancement is proposed to be accomplished by offering spaces for voice and explanations promoted in the participative TPF.

The process of co-developing task properties information is suggested to feature information sharing. This exchange of information during co-development offers space for employees to voice their opinions. Then, the feedback on the co-developed task properties allows managers to explain evaluation outcome. From a psychological perspective, the co-developed task information is designed to implicitly justify performance evaluation decisions (Tyler et al., 1984), particularly when they are in-progress (Feuille & Chachere, 1995).

The second construct of fairness to emerge from organisational justice literature is the procedural justice. The notion of procedural justice was introduced by a social psychology and law study carried by Thibaut and Walker (1975), which aimed to explore the relation between procedural justice and the fairness of the decision making in legal context.

Procedural justice concerns the fairness of procedures involved in the decision process that led to particular outcomes (Cropanzano & Ambrose, 2001). An important study by Burney, Henle, & Widener (2009) has posited that employees' perceptions of procedural justice affect their organisational-citizenship behaviour and performance.

Further, despite performance measurement processes being considered one of the highly relevant organisational processes that influence the justice perceptions of organisational members (Folger & Konovsky, 1989), "our knowledge of the characteristics that cause performance evaluation to be perceived as fair is still limited" (Hartmann & Slapnicar, 2012, p.17).

One important framework of procedural justice is the instrumental model proposed by Thibaut and Walker (1975). According to this model, people do not concern about short-term outcomes only. Rather, they also anticipate their position in future transactions (Cropanzano & Ambrose, 2001).

Thus, the process of performance evaluation—including feedback—is decisive because it can reveal information about employees' prospects. Accordingly, as employees normally receive their performance evaluation, they may use it to predict their future opportunities. There are many studies that support the instrumental model and are consistent with its view (e.g., Conlon, 1993; Lind, Kanfer, & Earley, 1990; Shapiro, 1993).

Cropanzano & Ambrose (2001) posited that the preference will always be given to procedural justice if compared to procedural injustice. This is mainly due to the economic benefits associated with the former one. They also noted that when people are judging the procedural justice, it means they are actually evaluating their "instrumental consequences" (i.e., long-term economic consequences).

Two seminal studies by Leventhal (1976, 1980) are considered highly relevant and influential for the concept of procedural justice used in this thesis. These studies introduced six "justice rules" that individuals use to assess the fairness of any procedure leading to resource allocation or outcomes (see Leventhal, 1980). The rules are: consistency, accuracy, bias-free, correctability, inclusiveness of all concerns, and adherence to prevalent ethics.

This thesis focuses on two of these six rules: accuracy and bias suppression. The rationale for this selection is that the organisation under study is a well-established international organisation presumed to have a consistent, correctable, and ethically accepted performance measurement process. Regarding the rule of inclusiveness of all concerns, the "voice" element explored under distributive justice is considered equivalent to this rule, so it has been excluded to avoid repetition. The accuracy rule reflects the quality of the information used in the allocation process, while the bias-suppression rule ensures that the personal interests of decision-makers do not influence the allocation process.

In addition to the two rules mentioned by Leventhal (1976, 1980) above, Tyler (1989) suggested that employees determine organisations' procedural justice by assessing their organisation's superiors' neutrality, agreeing with Leventhal (1980) "bias-suppression" rule. Particularly, the neutrality of the organisation's superiors participated in the decision processes that affect employees.

Tyler (1989) also added that in order for organisation's superiors to fulfil neutrality, they have to be honest and bias-free. Also of importance is the proper use of factual information by the organisation's superiors in making decisions, aligning with accuracy rule by Leventhal (1989). Tyler posited that any negligence in practicing neutrality may lead employees to behave in a negative way and may even make them retaliate against the organisation.

Another notable study that is in line with Tyler's (1989) assertion is the empirical study conducted by Tyler and Schuller (1990), which emphasised neutrality to maintain employees' organisational commitment.

Regarding this thesis, firstly, the co-developed TPF has the potential to enhance procedural justice through the co-development of factual information in performance evaluations, maintaining "accuracy". Secondly, it has the potential to mitigate bias as the performance evaluation process would be more transparent through the shared information on task decisions and performance. Accordingly, this thesis proposes that the evaluation process should be highly accurate and free from any bias.

So far two concepts of justice have been discussed. These concepts are when individuals base their justice judgments on outcomes (i.e., distributive justice) and on the processes that led to these outcomes (i.e., procedural justice). However, individuals also base their justice judgments on the received interpersonal treatment (Cropanzano & Ambrose, 2001). This construct of justice inference is called "interactional justice". Bies and Moag (1986) coined the term of interactional justice after they argued that it is conceptually different than distributive and procedural justice.

According to Cropanzano & Ambrose (2001), if procedural justice is the fairness of a procedure, Interactional justice reflects the social aspect of that procedure. Interactional justice is included in this thesis because there is substantial evidence suggesting that individuals pay attention not only to the structure of the process but also to the quality of their interpersonal treatment (e.g., Tyler & Bies, 1990; Bobocel, McCline, & Folger, 1997).

There is an extensive debate in organisational justice literature about the overlap between the three dimensions of justice perception. First, let's discuss the overlap of distributive and procedural justice. According to Parker & Kohlmeyer (2005), there is a significant association between distributive and procedural justice due to the overlap between the two concepts or the strong influence on each other. They argued that by looking at the potential bias in rewards distribution in an organisation, the unfair allocation procedure of rewards also leads to unfair outcomes. Additionally, there is paradox in justice perception when a procedure becomes an outcome, and an outcome becomes a procedure (Cropanzano & Ambrose, 2001).

According to Cropanzano and Ambrose (2001, p.28), justice researchers tend to define process or procedure as "something that is a method, manner, technique, or means by which something else is accomplished" and define outcome as "simply the consequence, end, or result that is assigned by way of the procedure". Thus, under particular circumstances, same event can be seen as outcome or procedure. They explained this phenomenon as "point-of-view effects", which is the difference in point of views to various observers. As such, in this thesis, the co-developed task properties information is considered part of the performance evaluation process, and its feedback is viewed as an extension of the process rather than an outcome.

The second overlap of procedural justice is with interactional justice. Although there are some studies emphasised the importance of interactional justice (e.g., Tyler & Bies, 1990), according to Cropanzano & Ambrose (2001, p.26), the separation between them requires "fine distinction" as interactional justice is not entirely clear. As result of this vagueness, a great deal of researchers, including this thesis, considers interactional justice as the social aspect of procedural justice (e.g., Lind & Tyler, 1988, Greenberg, 1990; Cropanzano & Greenberg, 1997).

To synthesise, the literature reviewed in this section highlights how distributive, procedural, and interactional justice shape employees' perceptions of fairness and influence their motivation, engagement, and performance. Participatory mechanisms, such as co-developing Task Properties Feedback (TPF), provide opportunities for employees to voice their perspectives and receive explanations, thereby enhancing the perceived fairness of performance evaluation processes.

In line with organisational justice theory, this thesis proposes that employees' involvement in TPF can foster a more transparent, accurate, and bias-free evaluation process while also strengthening the social quality of interactions with supervisors. Building on these conceptual insights, the study aims to explore, through a qualitative approach, how employees experience and interpret co-developed TPF as a performance initiative, and how it shapes their sense of fairness, engagement, and motivation in the workplace.

Literature Review - Summary

Chapter one introduced the central proposal of this thesis by providing background and context. In this chapter, chapter two, an extensive review of management accounting and psychology literature provides considerable evidence to suggest that the potential of co-developed task properties feedback to develop employees' initiative. It is recognised that this could be explored through better counterfactual thinking guidance, decreasing role ambiguity, increasing job-relevant information, and enhanced organisational justice perception.

Early indications point to a lack of studies within the realm of management accounting research that explored the behavioural implications of feedback on individuals, particularly those in subordinate roles. This observation signifies a growing awareness of the crucial need to comprehend how feedback impacts individual behaviour in organisational contexts. Since then, there has been recognition of the pivotal role information plays, specifically in influencing individuals' behaviour, for the operational advancement and sustained success of organisations.

Furthermore, there is a contemporary emphasis on addressing how organisations can optimise the extraction of maximum value from their performance measurement data. This highlights a current concern with enhancing the utilisation of performance measurement information for organisational advancement. In relation to employees' participation, findings from numerous studies converge on the consensus that employees significantly influence the information dynamics within management control systems (MCS), shaping their behaviour and perceptions. Consequently, employee participation has emerged as a prominent theme in modern management accounting research, extending its significance to contribute to the design, implementation, and development of management control systems. Taking all points into account, this accentuates the increasing significance of academic research in this field.

To establish a theoretical foundation that elucidates the mechanisms by which co-developed task properties feedback hold the potential to nurture subordinates' initiative, it is proposed that an examination of participants' perceptions of these properties is essential. This examination aims to analyse the relationship between participation in task properties feedback development and the four constructs: counterfactual thinking (content-specific pathway), role ambiguity, job-relevant information, and organisational justice.

Based on evidence indicating that the development of employees' initiative is influenced by their participation in TPF, it is suggested that a theoretical examination grounded in psychology and management accounting be initiated. This examination serves as the foundation for the theoretical exploration, which is discussed in Chapter Three.

Chapter 3: Theoretical Framing

“I will live in the Past, the Present, and the Future. The Spirits of all Three shall strive within me. I will not shut out the lessons that they teach” Charles Dickens, A Christmas Carol (1843, p.60)

Introduction

The theoretical framework of this thesis represents the lens that makes sense of the phenomenon studied in real world. The aim of this chapter is to articulate the theoretical

assumptions of the four constructs used in this thesis: counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ). The theory and concepts are adopted to guide the investigation of the thesis question: *to what extent does employees' participation in task properties feedback influence their initiative?* As it acts as an intellectual transition from merely describing the phenomena to generalisation, it also acknowledges the limits of this generalisation.

In this thesis, employee initiative is conceptualised as self-starting, proactive and improvement-oriented behaviour, and is grounded in established organisational psychology conceptions of self-regulation, proactivity, and constructive voice, which collectively underpin all four theoretical propositions.

This chapter begins with an introduction ([page 50](#)), followed by an overview ([Background, page 51](#)) that explores the emergence of psychological theory in management accounting and its connection to existing knowledge relevant to the thesis. The discussion then transitions to the theoretical assumptions underlying the four constructs, presented in the following order:

- First section ([TPF participation and counterfactual thinking to take initiative, page 55](#)) explores the counterfactual thinking (CFT) proposition.
- Second section ([TPF participation and role ambiguity to take initiative, page 63](#)) examines the role ambiguity (RA) proposition.
- Third section ([TPF participation and job-relevant information to take initiative, page 65](#)) discusses the job-relevant information (JRI) proposition.
- Fourth section ([TPF participation and organisational justice to take initiative, page 67](#)) analyses the organisational justice (OJ) proposition.

The chapter concludes with a final section ([Summary, page 71](#)), which provides a concise summary of the key points discussed.

Background

Birnberg et al. (2007) highlight that over 50 years ago, Argyris (1952, 1953) was one of the pioneers in integrating psychological theory into management accounting research. Argyris

drew on human relations and group dynamics to examine how the social context of budgeting could influence employees' attitudes and behaviour.

This early work laid the foundation for understanding how individuals' reactions to management accounting practices are not just a result of technical aspects, but also shaped by psychological and social factors. Building on this, Stedry (1960) explored the link between the difficulty of budget targets and individual performance, using motivation theory to investigate how challenging goals could influence employees' motivation and effort.

Similarly, Hopwood (1972, 1973, 1974) applied psychological concepts, particularly role theory, to examine how the use of accounting information in performance evaluations affected employees. His research suggested that the way accounting information is presented and used in decision-making processes can influence employees' perceptions of their roles, responsibilities, and performance.

These early studies emphasise the crucial role of psychological theory in explaining how management accounting practices impact individuals. By focusing on the human and social dimensions of management accounting, they set the stage for further research into how such practices affect employee behaviour and performance.

This thesis builds upon this foundation, exploring how psychological factors such as role ambiguity, job-relevant information, and participation in feedback processes shape employees' performance initiative within the context of management control systems.

Despite early recognition of the relevance of psychological theories to management accounting practices, the field has historically been dominated by economic theory. According to Otley (1999), management accounting has largely focused on financial performance and drawn predominantly on frameworks rooted in economics.

This influence extends even into the behavioural stream of management accounting, as evidenced by the widespread adoption of agency theory (Mitnick, 1973).

However, economic theory has proven insufficient in explaining the internal dynamics of organisations, particularly in offering comprehensive guidance to the design of management control systems (Otley, 1999).

In response to these limitations, this thesis draws on insights from social psychology, which provides valuable explanatory power in understanding and predicting individual behaviour within complex organisational phenomena such as performance measurement systems (Birnberg, Luft, & Shields, 2006).

Management accounting researchers used cognitive, social, and motivation psychology theories to investigate the influence on individual behaviour as result of management accounting practices (Birnberg, Luft, & Shields, 2006).

The influence is mainly studied in relation to cognitive and motivational factors. In a similar vein, in this thesis, the management accounting practice explored is the incorporation of employees' participation in TPF. Then, the influence on employees' initiative (behaviour) is examined through three cognitive effects and one motivational effect.

The effects studied in this thesis, on one side, the cognitive effects of employees' participation in TPF. These effects are sensitive not only to how the feedback information is meaningful to their line-managers but also to how it is meaningful to them.

According to Baldwin (1969, p.326), an individual's cognitive representation serves as "the effective environment" that triggers motives and emotions, which in turn steers behaviour to desired goals and targets. This is important for employees in initiating actions to achieve performance targets and drives the first three objectives of this thesis.

The first cognitive construct is using the functional theory of counterfactual thinking (Epstude and Roese, 2008), particularly the content-specific pathway, to guide on the first objective:

Examine how employees' participation in task-properties feedback can update employees' mental models and influence their performance initiative using the content-specific pathway of counterfactual thinking in the functional theory of counterfactual thinking.

The second cognitive construct is using the concept of role ambiguity to guide on the second objective:

Explore how employees' participation in task-properties feedback can reduce role ambiguity and influence their performance initiative.

The third and last cognitive construct is using the concept of job-relevant information to guide on the third objective:

Investigate how employees' participation in task-properties feedback can increase job-relevant information and influence their performance initiative.

On the other side, the motivational effect of employees' participation in TPF is the perception of justice. The proposal of this effect is established in relation to many studies that suggested the positive effect of organisational justice perception on performance (e.g., Beer & Cannon, 2004; Burney et al., 2009), particularly through participation in the context of performance measurement (e.g., Groen et al., 2012). To capture the notion of organisational justice, three main concepts are adopted from organisational justice literature: distributive justice, procedural justice, and interactional justice. Accordingly:

The motivational effect is using three concepts of organisational justice perceptions (distributive, procedural, interactional) to investigate the fourth objective (TPF):

Explore the potential of utilising co-developed task-properties feedback to improve the perception of organisational justice. Then, examine the changes in employees' perception of justice in relation to their performance initiative.

All constructs considered, the proposed model of study investigates employees' participation in TPF on their performance initiative through: *counterfactual thinking, role ambiguity, job-relevant information, and organisational justice* (figure 3.1).

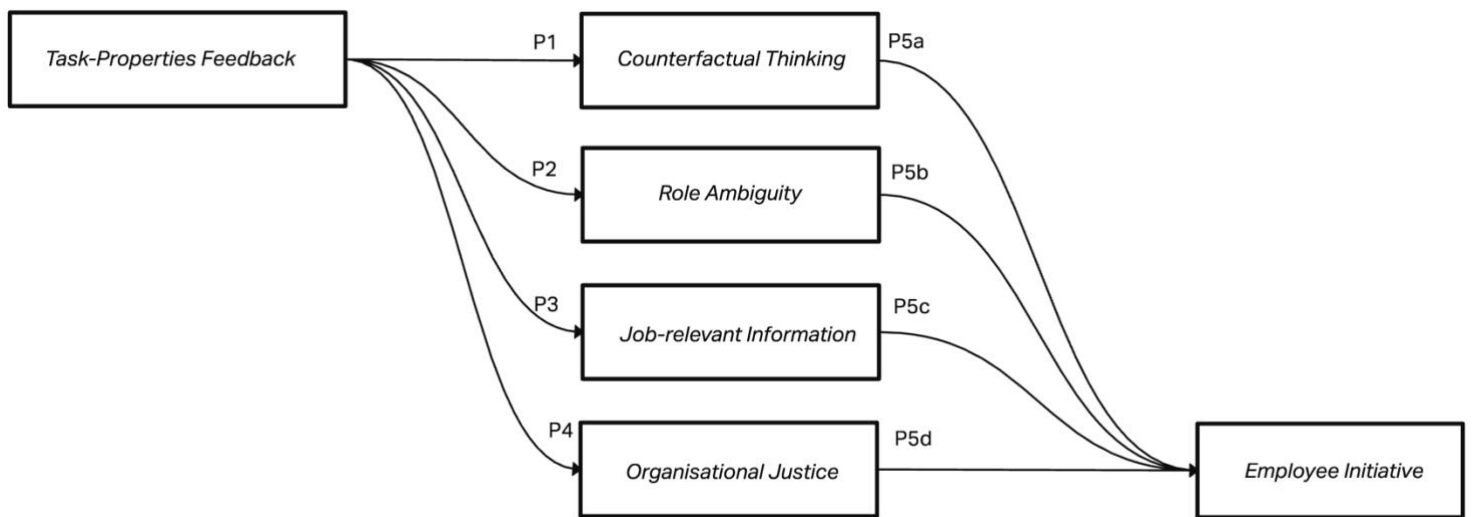


Figure 3.1 Proposed model of study

In this thesis, participation in Task-Properties Feedback (TPF) involves several concrete design features that shape the proposed mechanisms. These include employees' involvement in selecting task cues, engaging in dialogue with line managers, co-developing task information, and increasing task visibility. For counterfactual thinking, cue selection and task visibility provide the informational content required for accurate causal inference. For role ambiguity and job-relevant information, co-development and dialogue clarify expectations and enhance access to relevant task knowledge. For organisational justice, the participatory process itself—through voice, explanation, and transparency—shapes fairness perceptions. These design features collectively explain how participatory TPF activates the four mechanisms underlying Propositions 1–4.

TPF participation and counterfactual thinking to take initiative

This section discusses the theoretical framing of the first cognitive construct, naming counterfactual thinking (CFT). It outlines the importance of counterfactual thinking in the context of performance measurement. Also, it examines the use of the functional theory of counterfactual thinking, particularly its content-specific pathway. Accordingly, the aim of this section is to provide theoretical insights into the first cognitive construct, which revolves around the potential for updating employees' mental models through their participation in TPF to enhance performance, aligning with the first objective of the thesis. As discussed in the literature review ([see chapter 2, Counterfactual Thinking and Employees' Initiative, page](#)

25), feedback studies have primarily focused on performance without considering CFT, even though the literature suggests that feedback can trigger CFT.

The Functional Theory of Counterfactual Thinking

Counterfactuals are frequently activated by unachieved goals, then they produce a proposal of what should be done to achieve these goals (Markman et al., 1993; Roese, Hur, & Pennington, 1999). So, as feedback communicates unachieved goals, it is reasonable to say counterfactuals may be triggered by the feedback received. This assumption is posited by various studies and adopted in this thesis where TPF may stimulate counterfactuals (e.g., Schwarz & Clore, 1983; Schwarz, 1990; Sanna et al., 2000; Hur, 2001). However, employees' participation in co-developing their task properties is proposed to update their mental models which may make counterfactuals more effective to initiate performance.

In the functional theory of counterfactual thinking (Epstude & Roese, 2008), the functionality of counterfactuals is defined as accurate in relation to real-world implications and the degree of accuracy is measured by its ability to meet expectations in reality. The essence of the counterfactuals in the content-specific pathways is to be functional. If the causal inference of the counterfactual is not accurate, then the desired goal or outcome may not be attained. That is, focusing on a fictitious cause and failing to rectify the root cause of a problem, which may result in a dysfunctional behaviour. For example, If the causal inference of X leads to Y is faulty, then executing X wouldn't achieve Y as an outcome. Further, these faulty causal inferences may cause frustration and waste time and efforts. In a broader sense, judgments accuracy has been suggested to be fruitful in social context (e.g., Swann, 1984; Kruglanski, 1989), which can potentially be achieved by co-developing task cues.

According to the theory developers Epstude and Roese (2008), the causal Inference plays a critical role in the content-specific pathway as it connects the counterfactuals with intentions. That is, answering the question "why" a particular action has a positive impact on the desired goal by giving meaning and offering insights to actions proposed. For instance, whether a counterfactual is generated as in "I should have done X to achieve Y, Y is a desired goal or outcome" or a behavioural intention as in "I intend to do X to achieve Y" the causal inference

of doing X leading to Y remains constant and meaningful regardless of if it is a counterfactual or a behavioural intention.

Despite the debate about the association between counterfactuals and causal inference, Epstude and Roese (2008, p.177) suggested “that causal insight is a property or characteristic of counterfactual thinking. That is, to the extent that a counterfactual takes the form of a conditional proposition (i.e., an “if-then” statement), its very essence embodies a causal proposition”. To that end, co-developed TPF is expected to play a vital role in empowering proposed actions through assigning meaning in the performance feedback information.

The Functional Theory of Counterfactual Thinking Pathways

The theory offered two pathways that explain how counterfactuals may transfer to intentions and then to behaviour. These pathways are content-specific and content-neutral. The content-specific pathway involves the transfer of specific information about suggested actions into intentions.

On the other hand, the content-neutral pathway functions independently regardless of the information in the counterfactuals. Accordingly, this thesis uses the mechanism of content-specific pathway as employees’ initiative is explored through the co-developed TPF which is a specific content.

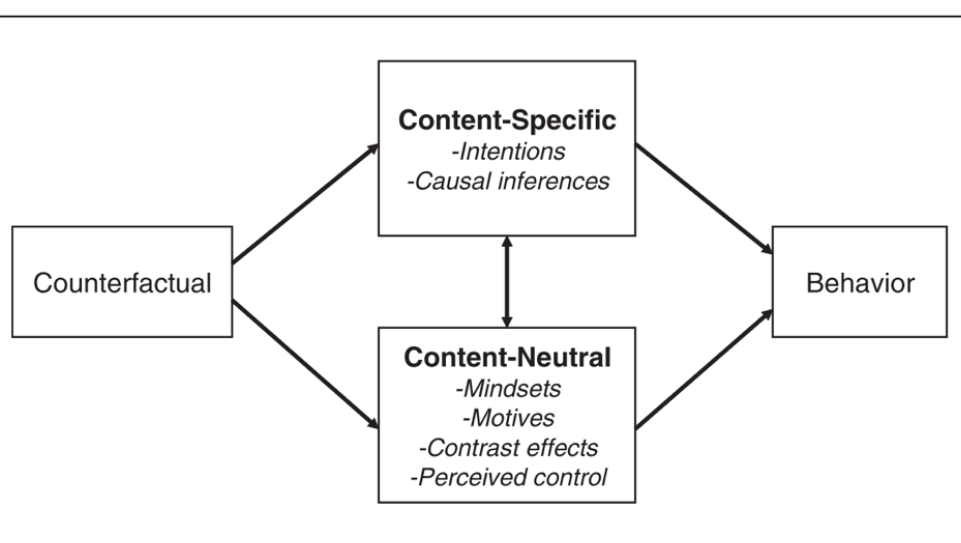


Figure 3.2: Content-specific vs content-neutral pathways of counterfactual thinking
SOURCE: Epstude & Roese, 2008

The Content-Specific Pathway in Theory

Counterfactuals have two distinctive features. First, there is a specific need or deficit that activates the counterfactual process. Second, the counterfactual process produces a remedy to supply the need and end the deficit.

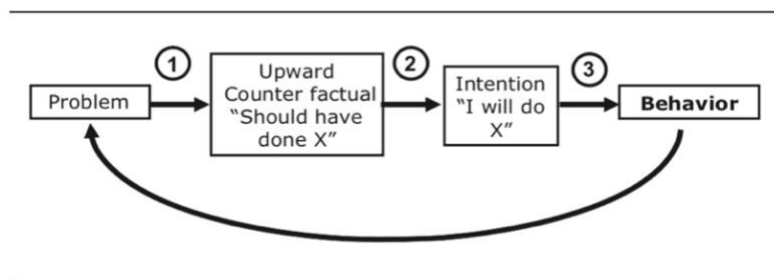
As the primary function of counterfactuals is seen to solve problems, it should be activated by the problem or need, which triggers behavioural changes to overcome these problems (Epstude & Roese, 2008).

This proposition acts as the core of the content-specific pathway, which is the regulatory loop-governing behaviour (Figure 3.3). The content-specific pathway involves three sequential steps.

Theoretically, initially, viable actions produced by counterfactuals are examined in terms of fitness and usefulness. Then, these proposed actions are converted into behavioural intentions. Lastly, behaviour is altered according to intentions formed by proposed actions. This process will be explored in more details in theory chapter (chapter 3).

Figure 3.3: The content-specific pathway by which counterfactuals influence behaviour.

Source: Epstude & Roese, 2008 and they adopted it from Roese & Olson, 1997, and Segura & Morris, 2005.



The mechanism of regulating behaviour starts with the manifestation and realisation of a problem (Step 1 in Figure 3.3). This usually happens when an outcome falls below an individual's standard value. Then, when counterfactuals are awakened, a causal link is established to link the action with the targeted goal.

According to Epstude and Roese (2008), there is an immense amount of evidence suggested that the activation of counterfactuals is related more to negative outcomes than positive outcomes like unachieved goals (Roese & Hur, 1997; Roese & Olson, 1997; Sanna & Turley-Ames, 2000; Hur, 2001).

These negative outcomes act as red flags that indicate goal progress is unsatisfactory whereas positive outcomes show that goal progress is sufficient (Schwarz, 1990). In this thesis, employees are assumed to be motivated to attain those unreached targets to secure socioeconomic benefits like promotions, bonuses, and status.

The second step of the content-specific pathway demonstrates the transition from counterfactuals to intentions (step 2 in Figure 3.3). For example, an individual has taken an atypical route to a workplace resulting in being late. The counterfactual thought could be “if only I had taken my typical route, I would have arrived earlier”. The content-specific intention would be “next time, I intend to take my typical route to avoid being late”.

Smallman and Roes (2007) asserted that there is empirical evidence supporting the content-specific pathway with regards to intentions facilitation, specifically when the content is identical between counterfactual thinking and intention (i.e., Smallman & Roes, 2007).

The last step in the content-specific pathway (Step 3 in Figure 3.3) involves the transformation of behavioural intentions to behaviour. As suggested by the theory, one key influencer on behaviour and related to content-specific pathway is intentions.

There are three types of intentions: goal intentions as in “I really would like to do x” and behavioural intentions as in “I will do x”, and implementation intentions as in “I will do x on day x for x number of hours”.

According to Epstude and Roese (2008), the most relevant research to the functional theory of counterfactual thinking is on implementation intentions (Gollwitzer, 1993, 1999; Gollwitzer & Sheeran, 2006). An implementation intention is more defined and specific in targeting opportunities in contrast to behavioural intention or goal intention (Epstude and Roese, 2008).

In respect to influence on behaviour, implementation intentions have the edge over behavioural intentions (see Pham & Taylor, 1999; Orbell & Sheeran, 2000; Sheeran, 2002). That's partially because of the strong interaction established in memory between a particular action or set of actions and a particular opportunity (Sheeran, Webb, & Gollwitzer, 2005).

As such, appearance of suitable opportunities evokes actions that are derived from implementation intentions, even in case of mental exhaustion (Brandstätter, Lengfelder, & Gollwitzer, 2001). However, in order to have strong behavioural effects, implementation intentions must be engendered from strong goal intentions (Sheeran, Webb, & Gollwitzer, 2005).

This thesis uses implementation intention as suggested by the theory. The co-developed information in TPF is proposed to facilitate employees' implementation intentions that drive performance.

The Content-Specific Pathway in The Thesis

This thesis is following the same sequence of steps outlined in theory. The gap shown in feedback received by employees represents the trigger that activates counterfactuals. This is because it highlights the difference between the current state of employee performance and the ideal performance.

One challenge to this assumption could be if this gap does not exist, which may lead to no activation of counterfactuals. However, the room for continuous performance improvement as established earlier may act as a strong influencer that motivates employees whether it is for social benefits (e.g., status) or/and economic incentives (e.g., bonuses). Thus, the gap will likely be present (Sheeran, Webb, & Gollwitzer, 2005).

The process starts by employees recognising gaps in their performance after receiving co-developed TPF. This recognition activates counterfactuals (step 1 in Figure 3.3). This inference is conditional where it links the antecedent and the consequent.

The antecedent is an action while the consequent is a goal, as in “if only I have done X differently (examining decisions taken), I would have performed Y better, X is a task and Y is a goal”. This is important as TPF promotes information on task-level.

Furthermore, counterfactuals have innate features, namely causal inferences, and this directly stimulates the activation of analogous behavioural intentions, as in” I intend to do X for better result next time”.

However, in content-specific pathway, it is with added specific details to assist the implementation intentions, (step 2 in Figure 3.3). The reason for this is that there is still a vague picture about whether counterfactuals are able to evoke an employee’s behaviour that promotes higher performance without any heuristic information provided (Epstude and Roese, 2008).

So, it is proposed that, there is a need for co-developed TPF that guides an employee’s counterfactuals, particularly their implementation intentions as in “I will do A1, A2, and A3 to perform better in X, A is an action and X is a task”.

Also of paramount importance is employees’ participation in co-developing A1, A2, and A3 information may help in making TPF information resonates with them (Ilgen et al,1979).

In the last step (step 3 in Figure 3.2), an analogous corrective behaviour will be generated, as in” an employee indeed worked towards achieving better performance in x through doing A1, A2, A3 that is inspired by the meaningful heuristics provided by co-developed TPF”. This Mechanism is proposed to work effectively in pursuing goals.

The act of employees receiving TPF is proposed to be the point of updating their mental models, particularly mental representations of task achievement. Then, this update is expected to improve the effectiveness of employees’ counterfactual thinking (i.e., functionality), which is sparked by feedback (see figure 3.4).

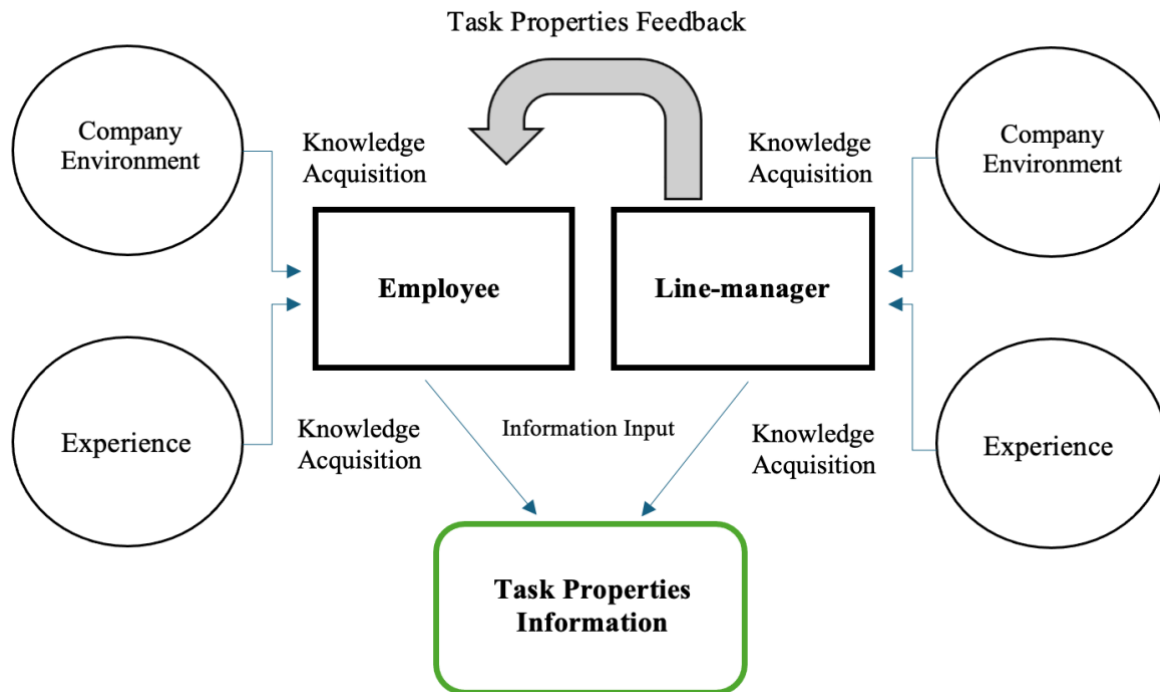


Figure 3.4: The proposed model of Task Properties Feedback (TPF)

From a learning perspective, Chenhall (2003) highlighted the need for further research to guide and evaluate organisational learning capabilities, particularly through assessing human resource management initiatives. Building on this, recent studies have begun to explore how performance measurement systems (PMS) can support individual and organisational learning (Hall, 2016; Henri, 2019; Widener, 2020; Suomala, Lyly-Yrjänäinen, & Lukka, 2022).

Within the theoretical framework of this thesis, the co-developed TPF is therefore proposed as a potential learning mechanism, aimed at reducing the gap between actual performance (i.e., current state goals) and predefined performance measures (i.e., optimal state goals). In summary:

Proposition 1. *If employees participate in developing their TPF, their counterfactual thinking is better informed to take initiative.*

TPF participation and role ambiguity to take initiative

This section explores the theoretical framework of the second cognitive construct, referred to as role ambiguity (RA). It provides a theoretical guidance on how objective two is addressed. This objective focuses on the potential to reduce the ambiguity of employees' roles through their participation in co-developing TPF. As outlined in the literature review ([see chapter 2, Role Ambiguity and Performance Initiative, page 32](#)), RA is commonly used in studies that focus on management level while in this thesis the focus is on employee level (i.e., individuals with no management responsibilities).

Role ambiguity (RA) has been widely discussed in both management accounting and psychology literature due to its profound influence on individual and organisational outcomes. In management accounting, RA is frequently used to describe confusion or uncertainty about work-related behavioural expectations (Birnberg, Luft, & Shields, 2006). This concept, rooted in role theory, derives from disciplines such as anthropology, sociology, and social psychology, which aim to predict and explain how individuals behave in specific social contexts (Deutsch & Krauss, 1965; Shaw & Costanzo, 1982).

Psychological research provides valuable insights into the consequences of role ambiguity. According to Kahn et al. (1964), RA can lead to defensive behaviours such as job dissatisfaction, social withdrawal, lack of self-esteem, distrust, and other psychological challenges. These behaviours are often driven by the anxiety, stress, and tension caused by cognitive inconsistency, which emerges when an individual is unsure about expected behaviour or responsibilities.

Performance feedback has been identified as an effective tool to mitigate job-related stressors, including role ambiguity. It transforms vague and ambiguous tasks into meaningful and motivating ones, creating a more positive and rewarding work environment (Ilgen & Hollenbeck, 1991; Mukherjee & Malhotra, 2006).

In management accounting, performance feedback plays a dual role in addressing RA: improving task performance and fostering clearer communication between employees and supervisors (Bakker et al., 2005).

Feedback mechanisms, particularly task properties feedback (TPF), can reduce ambiguity by clarifying expectations, which aligns with studies emphasising feedback's role in alleviating role stressors (Jackson & Schuler, 1985; Jong, 2016). For instance, performance feedback has been shown to improve job satisfaction and motivation by converting unclear roles into well-defined and achievable objectives (Sawyer, 1992; Dodd & Ganster, 1996).

This thesis builds on the theoretical foundation that role ambiguity negatively impacts job-related outcomes, including performance and initiative (Abdel-Halim, 1981; Singh, 1998). Moreover, it aligns with studies suggesting that feedback mechanisms can reduce role ambiguity and improve workplace dynamics (Mukherjee & Malhotra, 2006; Burney & Widener, 2007).

By proposing TPF as a feedback tool, this research seeks to examine whether employees' participation in the development of their feedback reduces RA and enhances their ability to take initiative.

Participatory feedback mechanisms, such as co-developing TPF, are posited to foster individual and organisational learning. They encourage knowledge sharing, particularly task-related information, which may reduce role ambiguity. When employees perceive their roles as clearly defined, they are likely to perform at higher levels (Burney & Widener, 2007). This aligns with the overarching aim of the thesis to understand how feedback can act as a bridge between employee clarity and organisational effectiveness.

To synthesise these findings and theoretical underpinnings, the following proposition is formulated:

Proposition 2: If employees participate in developing their TPF, their roles become clearer, enabling them to take initiative.

This proposition highlights the potential of TPF not only as a tool for clarifying roles but also as a mechanism for fostering greater initiative and performance within the workplace. By integrating perspectives from psychology and management accounting, this research

underscores the importance of feedback in mitigating role ambiguity and shaping effective organisational practices.

TPF participation and job-relevant information to take initiative

Job-relevant information (JRI) is the third and last cognitive construct used in this thesis. This construct is used to guide the fulfilment of the third objective, which focuses on the potential to increase JRI as a result of employees' involvement in developing TPF. In turn, this involvement is expected to enhance their initiative.

In the management accounting literature, job-relevant information (JRI) is defined as "the extent to which the information necessary for managers to accomplish job-related tasks is available" (Kren, 1992, as cited in Burney & Widener, 2007, p.46) or as information that minimises "pre-decision uncertainty" (Sprinkle, 2003, p.302).

In practice, Performance Measurement Systems (PMS) serve as both a source of JRI and a tool that promotes task-related information seeking (Burney & Widener, 2007). PMS provides "relevant information about the performance drivers that must be managed in order to achieve a business unit's financial goal(s)" (Webb, 2004, p.929). This makes PMS a valuable mechanism for enhancing clarity in task execution and decision-making processes.

Kaplan and Norton (1996a) and Simons (2000) observed that PMS often provides feedback focused on job-relevant information, which guides employees in assessing the progress of their objectives. Such feedback can significantly enhance performance by clarifying objectives and strategies while also helping employees choose effective courses of action (Kren, 1992; Chong, 2004). In particular, job-relevant information obtained through feedback has the potential to improve learning and gradually increase task-specific knowledge (Ilgen et al., 1979; Sprinkle, 2003).

Building on this theoretical foundation, this thesis posits that co-developing Task Properties Feedback (TPF) can increase the availability of job-relevant information for employees. As discussed in the literature review ([see chapter 2, job-relevant information and performance](#)

[initiative, page 36](#)), an increase in such information is likely to reduce role ambiguity (RA) by providing clarity about tasks and the resources needed to achieve objectives.

This proposition aligns with research suggesting that providing employees with relevant information about their roles and tasks can alleviate role stressors and improve workplace outcomes (e.g., Burney & Widener, 2007).

The inclusion of JRI in this thesis stems from its critical role in facilitating informed decision-making and promoting employee initiative. Feedback enriched with job-relevant information supports employees in learning about tasks, effective strategies, and the tools necessary to achieve goals. When employees actively participate in co-developing their feedback, they are not only recipients of task-related information but also contributors to a feedback loop that enhances shared understanding and learning.

This thesis proposes that participatory feedback mechanisms, such as co-developed TPF, act as a way to exchange critical information. This process equips employees with task-specific insights that enhance their ability to perform their roles effectively.

Drawing on Galbraith's (1977) framework, the argument is made that having detailed task-related information during task execution is vital for successful outcomes. The co-development process creates opportunities for employees to ask questions, clarify expectations, and gain a deeper understanding of task complexities. Over time, this leads to better decision-making and a stronger alignment between employee actions and organisational goals.

The proposed integration of JRI into the thesis framework aligns with the broader goal of examining how feedback mechanisms influence behaviour. In particular, TPF is proposed to foster individual and organisational learning by encouraging task-relevant knowledge exchange during the feedback process.

This, in turn, reduces role ambiguity and strengthens employees' ability to take initiative. Studies have consistently shown that when employees are equipped with sufficient job-

relevant information, their confidence in decision-making and task execution improves (Burney & Widener, 2007; Ilgen et al., 1979).

By integrating JRI into the study, this thesis emphasises the importance of task-specific feedback in fostering a sense of clarity and purpose among employees. Employees who actively participate in developing their TPF are expected to experience an improvement in task-relevant knowledge, which will not only enhance their role clarity but also enable them to identify and act on opportunities to take initiative.

The theoretical underpinnings of this argument lead to the following proposition:

Proposition 3: If employees participate in developing their TPF, they will have access to more job-relevant information, enabling them to take initiative.

This proposition ties together the theoretical importance of JRI with its practical application in the thesis, providing a clear rationale for its inclusion in the study.

TPF participation and Organisational Justice to take initiative

This thesis explores four constructs with the potential to influence employees' initiative through their participation in TPF. Three of these constructs are proposed as cognitive mechanisms (CFT, RA, JRI), while the fourth (OJ) is suggested as a motivational mechanism. This section discusses organisational justice (OJ), which serves as the motivational construct. Thus, the discussion here addresses the fourth objective: the potential for co-developed TPF to enhance employees' perceptions of justice and, ultimately, their initiative.

In organisational justice literature, justice is typically explored in relation to three key concepts, as they represent the main sources of influence on justice perceptions in an organisational context: outcomes of processes (e.g., rewards, recognition), processes (e.g., organisational systems, legal systems), and interactions (e.g., feedback delivery, subordinate-manager communication). Similarly, to capture the notion of justice in this thesis, these

concepts are adopted from the organisational justice literature: distributive justice (outcomes), procedural justice (processes), and interactional justice (interactions).

Distributive justice addresses the fairness of the performance evaluation outcome, procedural justice concerns the fairness of the performance evaluation process, and interactional justice focuses on the social aspects of the performance evaluation process. Accordingly, these concepts are proposed to examine how employees' participation in co-developing TPF may influence their justice perceptions and, in turn, their initiative.

Organisational justice theory concerns perceptions of fairness in workplace (Greenberg, 1990). According to Locke (1968), the perceived fairness of feedback has the potential to influence subordinates' task performance, motivation, and task or goal acceptance. Although Locke (1968) did not use the term "the perceived fairness of feedback" specifically, but his words of subjects' behaviour depends on "the comments just or unjust" implies the perception of feedback fairness (p.185). Accordingly, the perceived fairness of performance feedback is important where the feedback is seen as an extension of the performance evaluation process.

In contemporary organisations, employees' participation is highly valued in the planning and control of performance measurement systems (Otley, 1999). Such participation is seen as a significant stimulus for improved job performance (e.g., Viteles, 1953; Maier, 1955; Likert, 1961; Vroom, 1964, as cited in Locke, 1968). Part of the theoretical proposal of employees' participation in TPF is to "commit a subject to the decision reached (as with money), whatever that might be" (Locke, 1968, p. 185), specifically to commit to the co-developed TPF.

Employee commitment in this proposal is essential, as it may shift the locus of control from external factors to self. Locus of control is defined as "an individual's attributions about the cause of outcomes of task-related events" (Lockett & Eggleton, 1991, p. 389). According to Feather (1968), the attribution of responsibility after receiving feedback is a key indicator of whether an individual will succeed or fail.

Feather (1968) classified individuals into two types: internals and externals. Internals tend to attribute task-related outcomes to their own actions, while externals are more likely to attribute them to others' actions.

Attribution to one's own actions (internals) is a positive sign of behavioural change, followed by initiating remedial actions, which can lead to better task performance and personal development (Luckett & Eggleton, 1991, p. 389).

Similarly, in this thesis, the shift of responsibility attribution (accountability) is proposed to be driven by employees' participation in TPF, encouraging a self-focus to enhance performance. This proposition aligns with Locke's (1968) theory of task motivation and incentives, where participation is argued to influence individuals' adherence to decisions made.

Involving employees in co-developing their TPF is assumed to not only increase their commitment to the performance evaluation decisions but also foster a more positive perception of justice regarding the decisions, processes, and interactions involved in the performance evaluation.

In order to capture the notion of justice in the fourth construct, three concepts from the organisational justice theory are adopted; distributive; procedural; and interactional justice. The essence of studying these dimensions is attributed to the potential of each dimension to impact employees' initiative within organisational contexts (Ball et al., 1994; Burney et al., 2009; Colquitt et al., 2001).

In the first dimension, distributive justice reflects the perception of fairness concerning performance evaluation outcomes. By participating in the co-development of TPF, employees may perceive the performance evaluation decision (outcome) as fair, which can, in turn, positively impact their initiative.

The co-developed task properties information serves as the informational basis for evaluation and feedback. As the name suggests, this information is task-oriented (task properties). By

promoting opportunities for employees to voice their opinions during the co-development process, it provides an explanation for "why" performance evaluation outcomes are determined in a particular way. This task-level explanation helps employees understand and evaluate the correctness of their decisions in carrying out daily job tasks, enhancing their initiative to perform better.

In the second dimension, procedural justice, which is considered in this thesis as the perception of fairness associated with the performance evaluation process. As employees' participation is based on the exchange of task properties information, creating a knowledge hub, it gives heuristics about the performance evaluation process by answering "How" the process is operating. As much as this promotes openness and transparency, it also helps to maintain the accuracy of information used in performance evaluation, which is suggested by Leventhal (1980) as one of the justice rules used by individuals to assess any procedure fairness.

Additionally, accurate and bias free process may lead to accurate feedback, which is important for learning and motivation (Ilgen & Knowlton, 1980), and for feedback acceptance (Ilgen et al., 1979). That is, employees perceiving their performance evaluation process as accurate, so it is procedurally just. The fairness of the process is also important to the perception of distributive justice (e.g., bonus, promotions, etc) because when "the events associated with the allocation are just, it is more difficult to question the outcomes that have resulted "(Cropanzano & Folger, 1991, 9.137).

In the third dimension, interactional justice is dealing with the quality of interpersonal treatments (e.g., dignity, respect) between line-managers and subordinates, especially through the interactions in organisational procedures (Cropanzano & Ambrose, 2001). The perceived fairness of feedback is likely to impact subordinates' relationship with their manager (e.g., Bullis & Bach, 1989a, 1989b; Barge & Musambira, 1992).

In other words, how employees are perceiving fairness in regard to those who made the decision in terms of justifications and truthfulness. Similar to what discussed in distributive justice above, the offered information through participation in TPF has the potential to influence the likelihood of employees to perceive their supervisors as honest and bias-free.

This is consistent with Tyler's (1989) condition of neutral superiors. Moreover, the emphasis on the "self-focused" discussed above may to lessen the burden of accountability towards supervisors where employees use the TPF they co-developed to improve their performance. This in return may stimulate employees' performance development through their perception of working in a fair environment (Burney et al., 2009). Accordingly, the proposal is as follows:

Proposition 4. *If employees participate in developing their TPF, they perceive they work in a fair environment to take initiative.*

Theoretical Framing - Summary

Although the four constructs are analytically distinct, they are theoretically interconnected. Counterfactual thinking depends on the quality of mental models, which are shaped by the availability of job-relevant information and role clarity. Reductions in role ambiguity and increases in job-relevant information therefore reinforce the effectiveness of counterfactual thinking. Organisational justice operates in parallel by shaping motivation and commitment, which influences whether cognitively informed intentions are translated into behaviour. Together, the four constructs function as mutually reinforcing mechanisms rather than isolated drivers of initiative.

The theory chapter of this thesis provides a comprehensive overview of the theoretical foundation that underpins the proposal of the co-developed TPF to drive subordinates' initiative. Drawing from discipline of psychology, this chapter explores four constructs relevant to understanding the co-developed TPF and the behaviour of individuals within the workplace.

The chapter begins by examining the functional theory of counterfactual thinking, particularly the content-specific pathway, which provides insights into the steps and dynamics of how co-developed TPF has the potential to update employees' mental models and guide their counterfactuals to initiate actions. This guidance is proposed to infuse meaning into the performance feedback information through participants' involvement.

Then, the chapter explores the first cognitive construct, role ambiguity (RA). Drawing on role theory and management accounting literature, the section discusses how and why subordinates' participation in TPF may lower role ambiguity, which in turn inspire and motivate employees.

Additionally, the theory chapter examines job-relevant information (JRI) as second cognitive construct, highlighting the way in which co-developed TPF may influence employee initiative.

Basing the discussion on management accounting and psychology literature, it is suggested that the increase of job-relevant information be utilised to enhance employees' initiative by providing guidance in selecting effective courses of action and clarifying objectives and their associated measures. It also possesses the capacity to foster learning and progressively enhance task knowledge.

Lastly, the chapter discusses organisational justice as the motivational construct, which is the perception of fairness in workplace. This construct consists of three key concepts: distributive justice (outcome justice), procedural justice (process justice), and interactional justice (interpersonal treatment).

As the TPF is co-developed, the chapter examines how and why the perceived fairness of interactions holds the potential to impact subordinates' task performance, motivation, and acceptance of tasks or goals.

Drawing on social psychological theories, particularly the functional theory of counterfactual thinking and task motivation and incentives, this study proposes that employee commitment to performance decisions is fostered through perceptions of fairness in the work environment. This commitment, in turn, enhances performance by motivating employees to align their behaviours with organisational expectations.

Overall, the co-development of TPF is suggested to foster subordinates' initiative. A theoretical framework is proposed, drawing upon psychology and management accounting literature within the performance measurement process.

The theory chapter offers an extensive examination of the theoretical framework surrounding participants' behaviour, setting the foundation for the empirical research in subsequent chapters.ni

Chapter 4: Research Methodology and Method

"You cannot understand a system until you try to change it" (Lewin, 1946, as cited in MacDonald, 2012, p.34)

Introduction

Having established the theoretical foundation in the preceding chapter, the focus now shifts to the practical framework underpinning the empirical inquiry. The theory chapter provided an extensive overview of the constructs underpinning the co-developed Task Properties Feedback (TPF) approach, specifically Counterfactual Thinking (CFT), Role Ambiguity (RA), Job-Relevant Information (JRI), and Organisational Justice (OJ). These constructs were framed within psychology and management accounting literature to explore how co-developed TPF can drive employees' initiative behaviour in the workplace.

Central to the theoretical discussion was the proposition that co-developed TPF has the potential to enhance employees' performance by reducing role ambiguity, improving access to job-relevant information, and fostering a sense of organisational justice. This foundation lays the groundwork for the empirical investigation detailed in this chapter.

Employee performance has long been a focal point for both management accounting researchers and practitioners, particularly through the use of Performance Measurement Systems (PMS). PMS are recognised as pivotal tools for assessing performance and shaping employee behaviour (Sprinkle, 2003).

While traditional research has largely emphasised the technical refinement of performance management systems (PMS), such as the integration of financial and non-financial metrics (e.g., Kaplan and Norton, 1992; Ittner, Larcker, and Meyer, 2003), comparatively less attention has been paid to how PMS foster organisational and individual learning through the information they generate (Otley, 1999; Chenhall, 2003).

However, more recent studies have begun to explore this connection, highlighting the role of PMS in enabling learning and adaptation (Hall, 2016; Henri, 2019; Widener, 2020; Suomala et al., 2022). While recent studies have begun to address this previously overlooked area, this thesis extends the literature by examining how non-managerial employees actively participate in the development of their performance feedback information, and how such involvement influences their initiative and overall performance.

The research methodology and methods adopted in this study are informed by key philosophical considerations, which are integral to shaping the research approach and addressing inherent limitations. This chapter establishes the methodological foundation by:

1. Articulating the philosophical underpinnings that justify the chosen research approach.
2. Defining the research questions that guide the empirical investigation.
3. Identifying and justifying the selected research method.
4. Evaluating and implementing appropriate research techniques.

To meet these objectives, the chapter is organised into two main sections. The first section (Methodology and Philosophical Foundations) explores the philosophical framework, addressing aims 1 and 2, while the second section (Research Method) details the selection and application of appropriate research method, addressing aims 3 and 4. This structure ensures a clear connection between the theoretical propositions and the empirical processes, offering a coherent pathway for understanding and investigating the participatory role of employees in performance feedback development.

Methodology and Philosophical Foundations

This section is structured into four sub-sections, adopting a funnel approach that moves from broader contextual foundations to the specific methodological orientation of the study. The first sub-section (Background) outlines the philosophical underpinnings of accounting research, introducing interpretive accounting research (IAR) and its relevance to this thesis.

The second sub-section (Qualitative Research) situates the study within the broader qualitative research paradigm, highlighting its key principles and alignment with the research aims. The third sub-section (Interpretive Accounting Research) narrows the focus further by examining the foundations, classifications, and variants of IAR, with particular emphasis on the explanatory approach that underpins this empirical investigation.

The final sub-section (Summary) synthesises the key points and reinforces the rationale for the chosen methodological stance.

Background

The relationship between empirical evidence and theory has long been a central topic of debate among philosophers, with significant implications for research methodology and practice. Easterby-Smith et al. (2015) emphasise the importance of addressing these philosophical considerations, noting that neglecting them can adversely affect the quality of management and business research. This highlights the critical role of philosophical awareness in designing, conducting, and evaluating research.

Easterby-Smith et al. (2015) outline four key reasons why understanding philosophical issues is essential for conducting robust research:

- **Epistemological clarity:** Researchers must engage with fundamental questions of epistemology to better understand their reflexive role in the research process. This awareness fosters recognition of issues related to the theory of knowledge, enabling more creative and meaningful contributions to the body of knowledge.
- **Enhanced research design:** Philosophical awareness sharpens the clarity of research design, ensuring that it aligns effectively with the research questions being addressed.
- **Applicability of designs:** Philosophical insights help researchers assess the suitability of specific research designs for their intended purposes.

- Innovation in research approaches: A sound philosophical grounding supports the development and adoption of novel research designs.

Easterby-Smith et al. (2015, p.67) define research design as “organising research activity, including the collection of data, in ways that are most likely to achieve the research aims.” This definition underscores the necessity of a systematic approach that aligns research activities with the study’s objectives.

The philosophical foundation of research, as influenced by the seminal works of Burrell and Morgan (1979) and Hopper and Powell (1985), is shaped by two interrelated assumptions: a philosophy of science and a theory of society. These assumptions provide a framework for evaluating and selecting appropriate research methodologies.

The philosophy of science considers two primary dimensions: subjective and objective. These dimensions inform key aspects of social research, such as ontology (the nature of reality), epistemology (the nature and limits of knowledge), human nature (whether behaviour is determined or autonomous), and methodology (the techniques and strategies for knowledge acquisition).

Tomkins and Groves (1983) argue that the phenomenon being investigated directly influences methodological choices. Specifically, a researcher’s ontological stance—whether reality is viewed as objective or constructed—determines their epistemological approach, which subsequently informs their chosen methodology.

The theory of society dimension addresses the researcher’s view of societal structures and dynamics. At one end of the spectrum, society is perceived as a cohesive system governed by regulation and order, rooted in the assumption that societies evolve rationally. At the opposite end, society is characterised by conflict and inequality, with an emphasis on the potential for radical transformation.

Ryan et al. (2002) describe this as a continuum, recognising that researchers may adopt varied positions between these extremes. These divergent perspectives give rise to distinct

philosophical traditions or “schools of thought,” which May (1993, p.5) identifies as foundational to debates in the social sciences.

Within this framework, the current empirical study adopts a qualitative approach, positioning itself toward the interpretivist end of the spectrum, where understanding meaning, context, and subjective experience is prioritised.

Qualitative Approach

Management accounting has established itself as a central area of research, with qualitative approaches offering valuable insights into complex organisational processes. However, positivist methodologies still predominantly shape research, particularly in the domain of performance measurement systems.

This section aims to explore the limitations of these positivist approaches and highlight the growing importance of qualitative methods. The thesis seeks to shift the focus by employing a qualitative approach to investigate the development of performance measurement processes, uncovering the deeper meanings and practices that underpin them. Ultimately, the study seeks to enhance understanding of how performance feedback structures influence organisational dynamics and contribute to driving change.

For over three decades, management accounting has been recognised as a prominent field in accounting research due to its extensive use of qualitative approaches, particularly in comparison to other subsets within the discipline (Parker, 2012).

However, despite this recognition, much of the research in management accounting, particularly within the domain of performance measurement systems, continues to be predominantly shaped by positivist methodologies. This continued focus on positivism has often overshadowed the growing contribution of qualitative research in the field.

As Parker (2012) argues, while the role of qualitative research in management accounting has evolved into a strong international tradition, it remains somewhat underappreciated within the

wider accounting research community. Over the past four decades, quantitative management accounting research has garnered more attention, often distinguished by its empirical focus.

However, this approach has its limitations. Despite efforts to design models with predictive power, quantitative research has struggled to engage effectively with real-world accounting policies and practices. This limitation stems, in part, from the constraints of quantitative methodologies when applied to the complexity of organisational processes.

Quantitative methods are often poorly suited to capture the detailed, context-dependent nature of these processes (Parker, 2012). As such, this thesis seeks to address this imbalance by adopting a qualitative approach to investigate the development of performance measurement processes, exploring the deeper meanings and practices that underpin them.

As a qualitative study, the aim is to generate knowledge that enhances our understanding of the structure and practice of performance feedback within performance measurement systems. This exploration not only seeks to illuminate the current state of performance measurement but also aims to uncover how it can act as both a reflection of organisational dynamics and a potential driver for change (Van Der Meer-Kooistra & Vosselman, 2006).

According to Parker (2012), qualitative research offers unique insights into how management accounting and control activities unfold within their operational context. This perspective provides a micro-organisational view that reveals the complexities and subtleties of accounting practices as they are applied in real-world settings.

By adopting a qualitative lens, this thesis aims to contribute meaningfully to the development of both management accounting and organisational processes. Qualitative research emphasises understanding and critiquing processes within their specific contexts, acknowledging their uniqueness and diversity.

This focus aligns with Parker's (2012, p. 56) assertion that qualitative research "stresses the understanding and critique of process and context, recognising uniqueness and difference," a viewpoint particularly relevant when exploring the complex nature of performance measurement systems.

Moreover, the theoretical flexibility inherent in qualitative research, which accommodates multiple interpretations and diverse theoretical frameworks, enriches our understanding of accounting practice.

This flexibility has been a critical factor in advancing the study of accounting and its practices, as noted by Carnegie and Napier (1996), Merino (1998), and Parker (2012), who argue that it allows for a more comprehensive and holistic approach to understanding complex phenomena in management accounting.

This section has provided the foundation for understanding the broader context within which this thesis is situated in management accounting research. Also, it has established the broader context of management accounting research, highlighting the limitations of positivist methodologies and the potential of qualitative approaches.

One prominent tradition within qualitative management and accounting research is interpretive research, which seeks to understand the subjective meanings and experiences of individuals within organisational contexts.

The next section will briefly review interpretive research within accounting to clarify the philosophical position adopted in this thesis. This examination situates the study within broader theoretical and methodological debates, emphasising the interplay between philosophical perspectives and practical research design.

Interpretive Accounting Research (IAR)

The foundation

According to Kari Lukka and Sven Modell (2017, p. 2), it was not until the early 1980s that interpretive accounting research (IAR) began to be recognised as “a more distinct research tradition.” Before achieving this recognition, IAR underwent gradual development. The seminal study by Argyris (1952), which explored the influence of budgets on human behaviour, marked the beginning of behavioural accounting research grounded in psychology and social psychology theories.

During the 1960s and 1970s, there was a growing interest in behavioural accounting research, leading to notable studies in budgeting (e.g., Stedry, 1960; Hofstede, 1968) and accounting systems (Hopwood, 1973). In the 1970s, organisational contingency theory also became a prominent framework within IAR. For example, Otley's (1980) empirical study examined how factors such as technology, environment, and organisational structure influenced the design and effectiveness of management accounting and control systems.

Lukka and Modell (2017, p. 2) argue that early IAR studies had an implicit goal of moving accounting research away from being purely normative and toward promoting more empirical investigation. This shift aimed to frame accounting as a social construct rather than merely a technical profession, as it had traditionally been viewed.

Additionally, calls emerged for research that examined the implications of accounting within organisational and social practices (Burchell et al., 1980) and encouraged behavioural accounting researchers to incorporate organisational and sociological theories into their work (Colville, 1981). These developments laid the foundation for the evolution of IAR as a significant area of inquiry within the accounting discipline.

Classification

To critically examine the philosophical assumptions underlying this proposal, it is essential to position interpretive accounting research (IAR) within widely recognised taxonomies of accounting research.

Chua (1986) critiques earlier attempts to classify the philosophical foundations of accounting research (e.g., Jensen, 1976; Watts and Zimmerman, 1978, 1979) for their lack of comprehensiveness. These efforts primarily address a narrow scope of dimensions within accounting research, which has rendered them subject to a well-founded criticism for oversimplifying the complexity of philosophical underpinnings (e.g., Lowe et al., 1983; Christenson, 1983). By failing to engage with broader philosophical assumptions, these earlier frameworks fall short of adequately capturing the interpretive and social dimensions of accounting practices.

In response to these limitations, more robust frameworks have emerged, such as those by Hopper and Powell (1985) and Chua (1986). Hopper and Powell (1985), building on Burrell and Morgan's (1979) work on organisational research, position IAR within the subjective view of reality, categorising it in the bottom-left quadrant of their framework (see Figure 4.1).

This placement highlights IAR's focus on social constructs and the interpretive nature of understanding human actions. Instead of relying on direct observation, this approach emphasises "a process of interpretation" or "typification"—informal models or belief systems that individuals use to make sense of daily experiences, which are continuously learned, adapted, and reaffirmed (Neuman, 2014, p. 105). Such an interpretive approach challenges the objectivist assumptions underlying many traditional accounting studies and calls attention to the socially constructed nature of accounting systems.

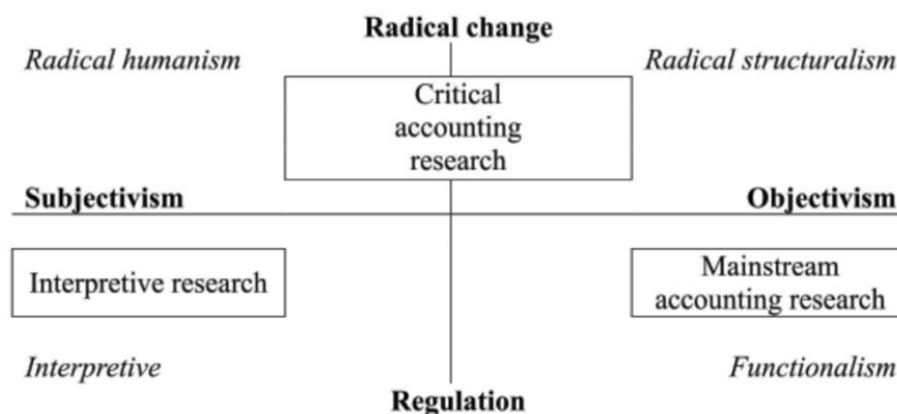


Figure 4.1: Hopper & Powell's (1985) taxonomy of accounting research

Chua (1986) further advances this critical perspective by introducing a comprehensive taxonomy that classifies accounting research into three sets of philosophical assumptions or "belief systems" (see Figure 4.2).

The first set focuses on the nature of knowledge, encompassing epistemological and methodological considerations.

<p><i>A. Beliefs About Knowledge</i></p> <p>Epistemological Methodological</p> <p><i>B. Beliefs About Physical and Social Reality</i></p> <p>Ontological Human Intention and Rationality Societal Order/Conflict</p> <p><i>C. Relationship Between Theory and Practice</i></p>

Figure 4.2 Classification of assumptions.
Source: adopted from Chua, 1986

The second addresses the object of study, including ontological assumptions about reality, human purpose, and societal relations. The third set examines the relationship between knowledge and the empirical world. This tripartite framework highlights the interpretive approach's emphasis on understanding accounting as a social and institutional practice, rather than a purely technical or neutral tool.

Additionally, Chua (1986) draws on the foundational work of Schutz (1962, 1964, 1966, 1967) in social science, incorporating Germanic philosophical traditions that emphasise the centrality of language, interpretation, and understanding in the study of social phenomena (see Figure 4.3). These traditions underline the dynamic and evolving nature of human beliefs and interactions, positioning IAR as a methodology capable of capturing the nuanced and contextual nature of accounting practices. By integrating these perspectives, Chua's framework offers a more nuanced and critical lens for understanding the philosophical assumptions that guide this proposal.

<p><i>A. Beliefs About Knowledge</i></p> <p>Scientific explanations of human intention sought. Their adequacy is assessed via the criteria of logical consistency, subjective interpretation, and agreement with actors' common-sense interpretation.</p> <p>Ethnographic work, case studies, and participant observation encouraged. Actors studied in their everyday world.</p>
<p><i>B. Beliefs About Physical and Social Reality</i></p> <p>Social reality is emergent, subjectively created, and objectified through human interaction.</p> <p>All actions have meaning and intention that are retrospectively endowed and that are grounded in social and historical practices.</p> <p>Social order assumed. Conflict mediated through common schemes of social meanings.</p>
<p><i>C. Relationship Between Theory and Practice</i></p> <p>Theory seeks only to explain action and to understand how social order is produced and reproduced.</p>

Figure 4.3 Assumptions of interpretive accounting research.
Source: adapted from Chua, 1986

According to Ryan et al. (2002), interpretive researchers adopt an ontological perspective that views social practices, including management accounting phenomena, as social constructions shaped by the human mind. Changes to these processes are therefore determined by the social actors involved, with social structures serving as both conditions and consequences of these interactions.

In the context of this proposal, this perspective accepts the existence of multiple realities of performance feedback information as perceived by employees' subjective interpretations. The focus is on the TPF process, which enables employees to make sense of "what is going on." This approach seeks to understand how employees interpret performance feedback information, using it to drive performance by assessing their mental representations (CFT), roles (RA), information (JRI), and perceptions of workplace fairness (OJ).

From an epistemological standpoint, this subjective approach allows researchers to explore and capture the meanings constructed by employees as they interact with and are influenced by performance feedback information. This perspective emphasises the value of understanding the interpretive processes that shape employees' experiences and behaviours in response to feedback systems.

Variants of Interpretive Accounting Research

Recently, interpretive accounting research (IAR) has gained popularity and become a well-established stream in accounting scholarship. This growth has led to various adaptations within the field. The first variation, grounded theory, emphasises ethnography (e.g., Glaser and Strauss, 1967) and is considered to be empirically focused (Parker and Roffey, 1997; Gurd, 2008; Elharidy et al., 2008).

However, the use of pure grounded theory in accounting research has diminished due to its descriptive nature and limited contribution to existing knowledge (Lukka and Modell, 2017).

The second variant, actor-network theory, has surpassed grounded theory in popularity (e.g., Lukka and Vinnari, 2014). Despite its rise, this approach has been critiqued for overlooking the subjective nature of meanings within individuals' minds, which is difficult to capture

empirically (Lukka and Modell, 2017). Ontologically, it also diverges from social constructivism, a key feature of the interpretive tradition (Latour, 2005). Nevertheless, Roslender (2015) considers it a defining approach of IAR.

The third variation in IAR uses a variety of theoretical lenses. This stream often relies on social theories selected by researchers to address accounting issues and generate research questions (Lukka and Vinnari, 2014).

Examples include Giddens' (1984) structuration theory, used by Granlund (2001), and institutional theory, used by Covalleski and Dirsmith (1990).

The application of organisational practice theories has also become increasingly popular, with researchers such as Baxter and Chua (2008b) using Bourdieu's theories, Ahrens and Chapman (2007) employing Schatzki's theories, and Jorgensen and Messner (2010) drawing on Adler and Borys' (1996) control modes theories.

The use of diverse social theories has sparked debate regarding the role of theorising in IAR (e.g., Eisenhardt, 1989, 1991; Dyer and Wilkins, 1991; Ahrens and Dent, 1998), particularly about its potential to contribute both empirically and theoretically.

The growing concern about the role of theorising in IAR, as highlighted above, has led to the emergence of explanatory interpretive accounting research (Kakkuri-Knuuttila et al., 2008a; Lukka and Modell, 2010; Lukka, 2014). This proposal aligns with the explanatory approach to IAR, which will be further discussed in the next subsection.

Explanatory Interpretive Accounting Research

Explanatory interpretive accounting research (IAR) represents a new direction in the field, offering a distinct approach by providing explanations for subjective meanings in people's minds rather than merely descriptive accounts (Lukka and Modell, 2017).

While the primary aim of this approach is to explain accounting issues, the concept of "explanation" within IAR has remained a challenge until recently (Ahrens and Dent, 1998;

Ahrens and Chapman, 2006). This difficulty highlights a critical gap in the literature—how to reconcile subjective meaning-making with the need for theoretical and empirical clarity.

The explanatory IAR approach is rooted in a philosophical shift in the theory of causation (Lewis, 1973; Woodward, 2003), which challenges traditional notions of causality. This shift aligns with the manipulation theory of causality (e.g., Wright Von, 1970) and emphasises a counterfactual definition of causality. Lewis (1973, p.9) suggests that "an event Y depends causally on a distinct event X if and only if both X and Y occur, and if X had not occurred, then Y would not have occurred either."

This counterfactual approach provides a more sophisticated understanding of causality compared to earlier definitions, such as Hume's (1748, Section VII), which asserts that "a cause is an object followed by another, and where all the objects, similar to the first, are followed by objects similar to the second."

In the context of this proposal's theoretical framework, explanatory IAR aligns with the idea that causality must be empirically tested. In this case, the focus is on understanding the meaning and experiences surrounding the co-developed TPF (task performance feedback) and its influence on employees' initiative.

The development of TPF is critical in establishing a key explanatory factor that can influence performance outcomes, and this argument is grounded in the dependency relations theory (Ruben, 1990; Woodward, 2003).

Yet, this approach should be critically examined. While TPF can serve as a potential explanatory factor, it must be recognised that the relationship between feedback and performance may not always follow a linear, predictable pattern. Causality in interpretive research should not be assumed to be direct or deterministic, as the complexity of individual subjectivities and context-specific factors plays a substantial role in shaping outcomes.

Furthermore, the distinction between correlation and causality is crucial. The association of events does not necessarily indicate a causal relationship, especially in interpretive research where meaning-making is highly subjective and context-dependent.

Each situation in interpretive research is unique, and thus, assuming regularity in causal relationships may oversimplify the complexity of human behaviour and organisational dynamics. The shift from regularity-based causality to counterfactual causality, but, offers a more dynamic and flexible framework, allowing for the exploration of how different variables may interact under varying circumstances.

This theoretical shift opens the door for "thicker" explanations—those that not only describe phenomena but also explore the underlying processes, tensions, and contradictions that shape employees' interpretations and actions.

Therefore, in relation to this proposal, the explanatory IAR approach provides an opportunity to deepen our understanding of how co-developed TPF influences employees' performance initiative. Yet, it also calls for a critical examination of how feedback is interpreted and acted upon, recognising that the causal pathways between feedback and performance are not uniform, but shaped by individual, social, and organisational contexts. This recognition is essential for avoiding overly simplistic causal claims and for appreciating the complexity of interpretive research in accounting.

Summary

From the philosophical analysis reviewed above, the interpretive approach, specifically explanatory interpretive research, seems more appropriate for this proposal. While no method is exclusively qualitative or quantitative (Jankowicz, 1991), interpretivism tends to be more qualitatively oriented. This approach is adopted to understand individual behaviour through a process of interpretation (Schutz, 1967) and to explore how language and meanings evolve and are modified (Reichardt & Cook, 1979).

The subject under investigation primarily concerns behaviour, and themes such as "performance initiative" and "justice perception" are challenging to measure. The tendencies to initiate performance and to determine what constitutes a 'fair' performance evaluation process largely depend on individual judgment.

The rationale for selecting an interpretive approach is supported by Bulmer (1979), who suggested that the logical consistency and appropriateness of a research approach should align with the research aims and assumptions. Additionally, scholars such as Otley (1978), Colville (1981), and Tomkins and Groves (1983) have highlighted the limited knowledge about accounting practice in its actual context, its engagement with organisational processes, and its role in organisational effectiveness. These scholars emphasised the need for more interpretive studies to offer explanations by investigating participants' perceptions.

Accordingly, this empirical study aims to explore the potential of co-developing TPF with employees to influence their initiative within the actual context of performance measurement systems.

Besides the philosophical grounds, there are other factors that are taken into consideration for selecting an appropriate method, such as: viability and practicality. Nevertheless, the review of this section has been useful in portraying the selection process of a suitable research design. The selected method will be discussed in the next section ([Research Design, page 87](#)).

This empirical study is seen as a representation of social science departure from the long-established imitation of natural sciences. A departure that opens doors for accounting researchers to 'acquire an intimate knowledge of the relevant human behaviour "in its natural setting"' (Tomkins and Groves, 1983, p.364). Accordingly, it is concerned with understanding the "social character" of "daily" accounting practice (Ryan et al., 2002, p.42).

Research Design

This section is organised into four sub-sections. The first sub-section ([Research Method, page 88](#)) explains the research method, providing a clear understanding of the approach and methodology used in the thesis. The second sub-section ([Research Context, page 92](#)), outlines the context of the study, describing the structure of the organisation being examined and the researcher relationship with the organisation. The third sub-section ([Data Collection Process, page 95](#)) presents a timeline of the research process, highlighting key milestones and deadlines. Finally, the fourth sub-section ([Data Sources and Analysis, page 102](#)) discusses

data collection and analysis, detailing the methods used, including interviews, meetings, and observations.

The next section will offer a more in-depth examination of the rationale behind the specific research method chosen for this study, explaining how it aligns with the thesis's objectives and philosophical stance.

Research Method

This subsection introduces the participatory action research (PAR) method adopted in this thesis. It outlines the key principles of PAR, discusses its relevance and suitability for management accounting research, and explains how it shapes the empirical investigation.

Participatory Action Research (PAR)

This section outlines the research method adopted for this study, with a particular focus on Participatory Action Research (PAR). The primary aim of this research is to examine how the integration of co-developed task-properties feedback (TPF) into performance measurement systems can improve employee behaviour and performance. Through fostering a collaborative feedback process between managers and employees, this study seeks to explore the potential benefits of this approach in enhancing both individual and collective organisational performance.

PAR, described by Kaplan (1993, p. 10) as “to-be” research, is a methodology that goes beyond traditional, passive research methods. Unlike conventional research approaches, which typically involve observing phenomena from a distance, PAR requires the researcher to be actively engaged in the process of change. This active participation allows the researcher to directly influence the outcomes of the research, rather than just recording observations (Argyris et al., 1985; Argyris, 1993).

The methodology is particularly suited for studies that aim to understand and facilitate change, as noted by Coughlan and Coughlan (2002, p. 227), who frame PAR as a means of “understanding the process of change or improvement.” In the context of this study, PAR is

used to engage with the real-time dynamics of performance feedback systems within organisations, enabling both practical insights and theoretical contributions.

The research specifically focuses on how the co-development of TPF between managers and employees can transform the traditional one-way feedback system. Traditionally, feedback is constructed solely by managers, often resulting in a process that feels disconnected from employees' daily work and their individual perceptions.

In contrast, PAR facilitates a shift to a more dynamic, two-way feedback process, where both managers and employees collaboratively develop feedback. This participatory approach is central to the research, as it not only improves the quality of feedback but also promotes active employee involvement, which is expected to lead to enhanced employee motivation and performance.

The integration of TPF into performance measurement systems is expected to have a positive impact on several key factors that influence employee performance. These factors include counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ).

By co-developing feedback, employees are likely to experience less confusion about their roles (reducing RA), gain better insights into what is expected of them (improving JRI), and feel a greater sense of fairness in how performance is assessed (enhancing OJ). These changes, in turn, are expected to lead to improvements in employees' performance initiative, as they become more engaged and confident in their roles.

One of the defining features of PAR is the researcher's active involvement in the change process. This dual role of the researcher—as both observer and participant—enables a deeper understanding of the context in which the change is occurring. In this study, the researcher is not merely observing the process but is directly involved in the design, implementation, and facilitation of the co-development of TPF.

This engagement is crucial for the success of the study, as it allows the researcher to both guide the process and observe its outcomes, thus contributing to the development of

management accounting theory as well as broader management theory (Kaplan, 1993). The researcher's active participation also allows for the collection of richer, more nuanced data, which is essential for understanding how performance feedback systems can be improved through employee involvement.

In addition, this study is conducted within a "naturalistic setting," meaning that it takes place in real-world organisational environments rather than controlled laboratory conditions. This design bridges the gap between academic research and practical application, ensuring that the findings are directly relevant to real-world practices in management accounting (Kasanen et al., 1993; Miller et al., 1997; Van de Ven and Johnson, 2006). By studying the process of change in naturalistic settings, the research not only generates theoretical insights but also provides actionable recommendations for organisations seeking to improve their performance measurement systems.

A key aspect of the research is its focus on the flow of information within organisations, specifically the feedback and feedforward mechanisms that allow organisations to learn from past experiences and adapt for the future (Otley, 1999). The study originally set out to understand employee behaviour through psychological theory, gradually narrowing the focus to four constructs: counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ). These constructs were selected because they are strongly linked to performance outcomes and play a significant role in shaping how employees respond to performance feedback.

CFT, for example, links perception, learning, and behaviour change, making it a critical factor in how employees interpret and act upon feedback. RA connects perception and performance, as employees who are uncertain about their roles are less likely to perform effectively. JRI relates to how much relevant information employees have about their performance, while OJ focuses on how fair they perceive the feedback process to be. By exploring these constructs, this study aims to answer the broader research question: "How can performance be improved through feedback and feedforward information flows?" (Otley, 1999).

In conclusion, the adoption of PAR in this study is not just grounded in a methodological choice but a strategic decision that enhances the ability to explore and facilitate change within performance measurement systems. By adopting an active, participatory role, the researcher is able to engage deeply with the processes under study, facilitating a more collaborative and effective feedback system. This approach allows for valuable insights into how performance feedback can be co-developed, with implications for both individual employee performance and broader organisational processes. The use of PAR enriches the study by not only providing a robust methodological framework but also ensuring that the findings have practical relevance for improving performance measurement practices in real-world settings.

In this study, participation refers to the active involvement of employees and managers in the joint construction of task-properties feedback, rather than their role as passive research subjects. Participants were directly engaged in identifying task cues, evaluating feedback content, and reflecting on its relevance to their work practices. This participatory role was central to the research design, as employees were positioned as co-producers of knowledge rather than objects of observation.

Action refers to the deliberate intervention in the existing performance feedback process through the introduction of a co-developed TPF sub-process. Rather than merely analysing existing practices, the study sought to actively change how feedback was designed and experienced within the organisation. The action element was therefore embedded in the iterative cycles of reflection, feedback design, simulation, and evaluation, which aimed to improve both theoretical understanding and practical outcomes.

Consistent with core PAR principles, this study combines inquiry and intervention, knowledge generation and practical change, and researcher and participant perspectives. The research process was therefore not only descriptive but transformative, seeking to improve performance feedback practices while simultaneously studying their effects.

Research Context

The Organisation

This sub-section outlines the international organisation engaged in transport and logistics which was selected as the case context for the study. The empirical research has a particular focus on the finance departments which are situated in two different countries, Türkiye and United Arab Emirates. Building on the research philosophy and methodology discussed in earlier sections, this part provides a detailed examination of the organisational structure and the operational roles of these departments. By exploring the specific setup of these departments, the sub-section aims to clarify how the study's objectives fit within the broader organisational context, offering a clearer understanding of how the dynamics within these departments influence the performance measurement systems in place.

The organisational context is crucial for interpreting the research findings, as it helps identify the factors that shape employee behaviour, performance initiatives, and how these elements impact the effectiveness of performance measurement systems. Understanding the roles and interrelationships between the departments will provide insights into how feedback and communication structures function within the organisation, particularly in terms of influencing individual and collective performance. This alignment ensures that the study's objectives are relevant to practical settings and that the findings are grounded in the organisational dynamics.

The organisation was selected for this study primarily due to the researcher knowledge that its current focus was on refining and optimising performance measurement systems, which directly aligns with the aims of this research. The action researcher's previous role within the organisation's finance team under regional management provided a unique insider perspective, facilitating access and enabling a deeper contextual understanding of the organisational dynamics. As the organisation seeks to enhance its management control practices across different regions, it is actively evaluating and improving the effectiveness of its performance measurement process.

This ongoing focus on performance optimisation makes the organisation an ideal setting for investigating how performance measurement systems can be co-developed to influence

employee behaviour and performance. By studying this organisation, the research can provide practical insights into how performance measurement processes can be enhanced, offering valuable contributions to both organisational success and employee development. The organisation's commitment to improving these systems ensures that the findings will be relevant and beneficial to its ongoing strategic objectives.

The organisation operates a formal performance measurement system based on a combination of financial and operational key performance indicators (KPIs). These KPIs are primarily derived from financial and internal operational dashboards. Performance reviews are conducted on an annual and semi-annual basis and focus mainly on hard targets, where performance is evidenced by internal financial reports (objectively measured), and soft targets, where performance is evidenced by managerial judgement (subjectively measured).

Feedback is typically delivered in a top-down manner during formal review meetings between line managers and employees. The feedback largely consists of outcome-based information (e.g., whether targets were met), with limited or no task-level explanation regarding how performance could be improved. Formal guidelines for performance evaluation are set by global management and emphasise SMART performance measures, standardisation, comparability, and documentation, leaving little room for employee input into feedback design.

This context provided a suitable setting for introducing co-developed TPF, as it allowed comparison between traditional outcome-focused feedback and participatory, task-oriented feedback.

The organisation under study comprises two finance departments based in different countries, each with distinct operational roles. Department A, located in the United Arab Emirates (UAE), is structured into three primary sub-departments: Working Capital, Controlling, and Reporting. Each sub-department is headed by a leader, with an overall finance manager coordinating the department's activities.

Department B, is based in Türkiye, also has a finance manager and sub-department heads, but it serves a support function for all finance departments across the MEA (Middle East and

Africa) region. While both departments report to regional management, Department A's focus is entirely on the finance functions of its own country, whereas Department B provides centralised support for all finance activities in the region, including those of Department A. For example, Department B's accounts receivable team handles accounts receivable tasks across the MEA region, including supporting Department A's financial operations (See **Figure 4.4**).

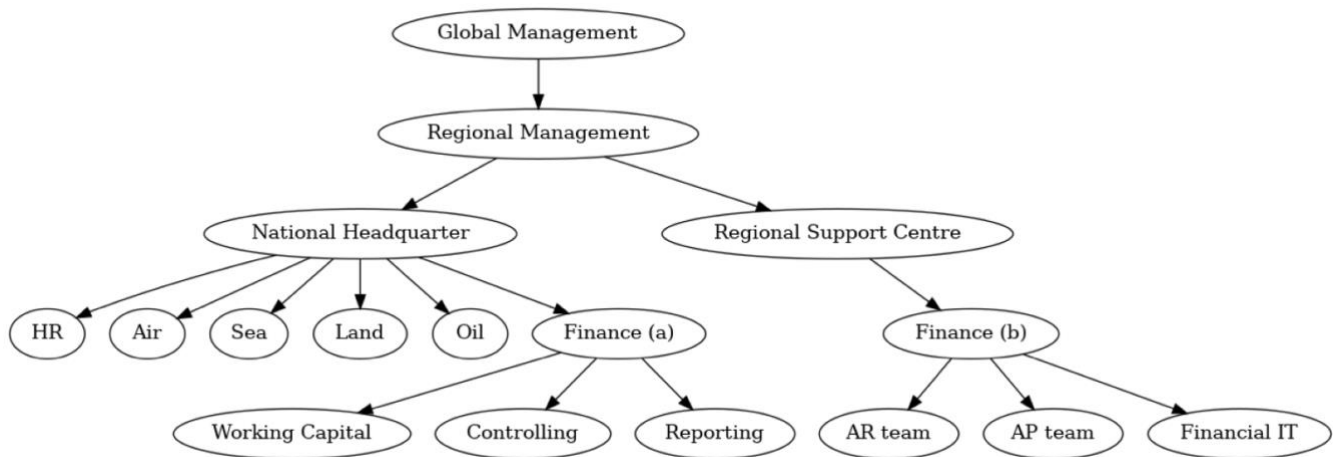


Figure 4.4: Organisation's organisational chart

The research includes interviews with key participants from both departments to gain insights into their perspectives on the performance measurement systems. In Department A, the interviewees include the finance manager, the head of working capital, the reporting supervisor, and the controller. In Department B, the participants include two accounts payable leaders, a financial IT specialist, and a controller. These selected participants represent a cross-section of roles and responsibilities, offering diverse insights into the dynamics at play within both departments.

All interviewees were male, with the exception of the controller from Department A. By examining the views and experiences of these individuals, the study aims to uncover how the organisational structure and departmental roles influence the implementation and effectiveness of performance measurement systems.

Data Collection Process

This sub-section outlines the iterative process through which the Task Properties Feedback (TPF) was co-developed with participants to enhance the relevance and effectiveness of the organisation's performance measurement system. The process unfolded across two main stages—Preparation and Development—each comprising a series of structured activities. The Development stage included two sequential interview phases (Phase 1 and Phase 2), which were used to collect and refine participant insights. The overall aim was to evaluate the usefulness of the TPF in supporting initiative behaviour and shaping future performance feedback practices. See *Figure 4.5* below for the process timeline.

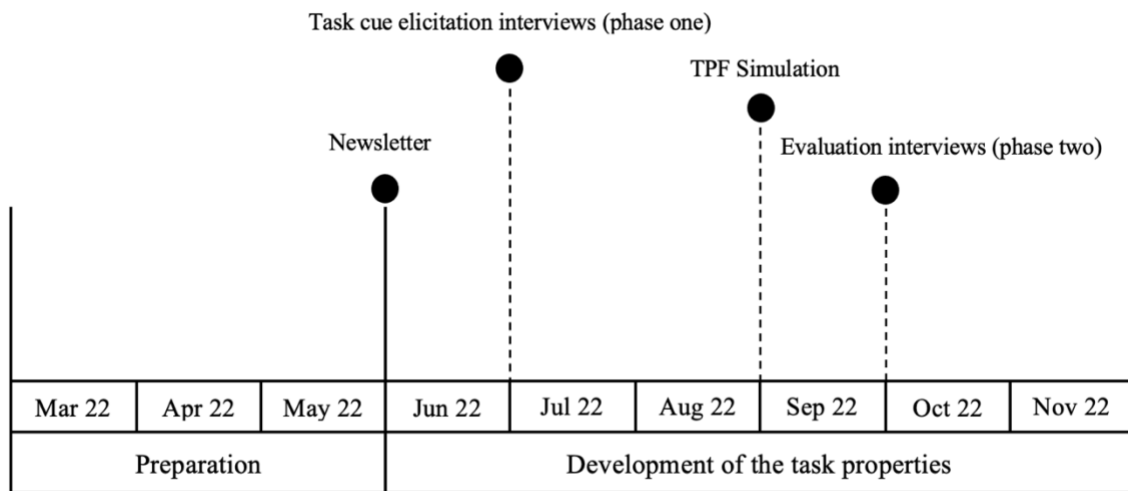


Figure 4.5: Data Collection Process Timeline

Stage 1: Preparation

Spanning approximately three months (March-May 2022), this stage focused on establishing the ethical, organisational, and conceptual foundations of the study. Key activities included obtaining ethical approval, selecting a diverse group of participants, and introducing theoretical constructs—such as counterfactual thinking, role ambiguity, job-relevant information, and organisational justice—which would underpin the co-development of the TPF.

Stage 2: Development of The Task Properties

This stage, lasting around six months (June-November 2022), consisted of four interlinked components:

1. Distribution of an introductory newsletter.
2. *Phase 1*: Individual collaborative task-cue elicitation interviews to co-create initial task cues.
3. Design and presentation of a simulated TPF system incorporating participants' task cues.
4. *Phase 2*: A final evaluation round with participants to refine and assess the usefulness of the simulated system.

Notably, the task cues generated during Phase 1 were integrated into the simulated TPF presented and evaluated in Phase 2. Due to organisational disruptions during data collection—including staff turnover related to the COVID-19 pandemic—two new participants (F and G) joined in Phase 2, replacing three participants (C, D, and E) who had exited the study. This change is detailed in Tables 4.1 (p. 92) and 5.1 (p. 120).

Throughout both phases, the action researcher facilitated the process—ensuring alignment with organisational goals, guiding reflective dialogue, and fostering participant engagement. Participants played a central role in shaping the TPF, drawing on their professional expertise to co-create, refine, and evaluate task-specific feedback cues tailored to their performance measures.

Preparation

The preparation stage lasted for around three months, during which several important activities were carried out to lay the groundwork for the development of the Task Properties Feedback (TPF). Initially, ethical approval was obtained from the university to ensure that the study adhered to ethical guidelines and protected participant confidentiality. Following this, a series of introductory meetings were held with the finance manager to identify potential participants and secure their informed consent. These meetings also provided an opportunity

to discuss the current performance measurement system and feedback processes within the organisation, as well as to conduct a preliminary review of the relevant documentation.

The participants selected for the study were chosen to reflect a broad range of roles and specialisations within the accounting department, ensuring diversity and inclusivity. This approach was intended to guarantee that the key performance indicators (KPIs) employed in the accounting roles—whether they were subjectively or objectively assessed—were comprehensively covered. By including participants from various functions, the study aimed to capture a well-rounded view of the existing performance measurement system.

In these meetings, four key themes were explored with the participants: (1) counterfactual thinking, (2) role ambiguity, (3) job-relevant information, and (4) organisational justice. These constructs were selected based on their importance in shaping performance-related behaviours, as discussed in the literature review ([Chapter 2: CFT - page 25; RA – page 32; JRI – page 36; OJ – page 40](#)). By focusing on these themes, the preparation phase aimed to establish a robust foundation for understanding how performance initiatives can be better aligned with the realities of employees' roles and the broader organisational context.

Development of The Task Properties

The process of developing the task properties comprised four interlinked components, with gradual transitions between each. A brief overview of these components is provided below:

1. Newsletter

After obtaining ethical approval in February 2022, the first step in the data collection process was conducting several interviews with the finance manager. These interviews were instrumental in identifying suitable participants for the study, as the finance manager had in-depth knowledge of the various roles within the accounting departments. Based on these discussions, potential participants were selected from a range of specialisations across the finance departments to ensure a diverse and representative sample.

Following the identification of participants, a detailed newsletter was distributed to all selected individuals via email. This newsletter aimed to inform participants about the study

and ensure they were fully aware of their roles and the research process. The newsletter included several key pieces of information: (1) an explanation of the study's purpose, (2) a clear outline of the process that would be used to develop the task cues, (3) an overview of the voluntary nature of participation and the expectations associated with involvement, (4) details regarding the handling of data, including storage and access, and (5) an explanation of the level of commitment required from each participant, which included the number and duration of the interviews.

Importantly, the newsletter emphasised that the task cues being developed as part of the research were intended to support the employees, rather than being used as a tool for performance evaluations by management. This distinction was crucial, as it reassured participants that the study's aim was to enhance their work experience and performance feedback mechanisms, rather than to assess or judge their individual performance in a managerial context. This transparency was intended to foster trust and ensure that participants felt comfortable and secure in their involvement with the study.

2. Individual collaborative task-cue elicitation (Phase one)

The individual interviews began with the finance manager, during which several key steps were followed to establish a clear understanding of the project and its objectives. These steps included: (a) explaining the process of performance measurement and feedback, (b) outlining the expectations for the project, (c) addressing any questions the manager had regarding the project's goals, and (d) clarifying the role of the manager in the process. The primary aim of this initial interview was to gather important data to inform the development of the Task Properties Feedback (TPF) and ensure that the manager fully understood the research aims and their role in it.

Following this, the first round of interviews with the participants took place, during which the action researcher asked each participant to generate as many task cues as possible for each of their performance measures. These task cues were explained as pieces of information designed to help participants better achieve their performance targets, framed as though they would be discussed during performance reviews with their line managers, accompanied by feedback or follow-up actions. The intention behind this was to encourage participants to think critically about how task cues might support their daily activities and contribute to their

overall performance goals. Once all the task cues were collected, the action researcher identified varying suggestions and asked participants to reflect on and comment on each other's ideas. This brainstorming approach, inspired by Thomson's (2003, p.99) method, aimed to "considerably increase the quality and quantity of ideas produced."

This practice was important for two main reasons: (a) it encouraged deeper, more meaningful discussions, as the task cues were directly linked to participants' day-to-day responsibilities rather than abstract performance targets, and (b) it helped establish a stronger connection between task cues and the broader performance initiatives that the organisation sought to implement. By encouraging participants to build on each other's suggestions, the process generated a more comprehensive and diverse set of task cues, which more accurately reflected the complex nature of their roles within the organisation.

Before the second round of interviews, the action researcher took the time to rank the improvement ideas based on their relevance, feasibility, and potential impact on performance. These ranked ideas were then reviewed with the finance manager to ensure that the suggestions were aligned with the organisation's overall performance objectives. The finance manager's feedback helped refine the task cues further, ensuring that they were both practical and actionable, while also making sure they were consistent with the organisation's strategic goals. This iterative process was critical in developing a performance measurement system that was both relevant to the employees' roles and aligned with the organisation's broader objectives.

3. Simulation of co-developed Task Properties Feedback (TPF)

Before the next round of interviews, the action researcher utilised Qualtrics software to develop a simulation that depicted a simplified version of the organisation's performance measurement process, integrating the co-developed Task Properties Feedback (TPF). This simulation was designed to incorporate task cues for each performance measure, offering a tangible example of how the co-developed TPF would function within the context of the organisation's performance measurement system. The purpose of this simulation was to help participants visualise the practical application of the TPF and to facilitate a more detailed discussion about its potential impact.

During the second round of interviews, the action researcher presented the simulation to the participants, engaging them in discussions about the inclusion of the co-developed TPF and its role in the performance measurement system.

The rationale for using the simulation in this study aligns with the broader objectives of simulations in organisational research: to stimulate knowledge integration, encourage active participation, and deepen participants' understanding of the concepts being explored.

By presenting the TPF in a practical, interactive format, the simulation aimed to promote more insightful feedback from participants and foster a deeper understanding of how task cues could influence performance measurement and employee behaviour.

This approach was expected to facilitate in-depth discussions about the effectiveness and relevance of the TPF in relation to performance measurement processes in practice. As noted by Wouters and Roijmans (2011), simulations can play a critical role in enhancing understanding by providing participants with a concrete representation of abstract concepts.

In this case, the simulation allowed participants to better grasp the practical implications of the TPF, ensuring that the feedback provided was grounded in the participants' actual experiences and the operational realities of the organisation. The discussion generated through this simulation was intended to refine and enhance the TPF, ensuring its relevance and applicability to the performance measurement system.

The simulated TPF sub-process presented participants with performance measures drawn from their organisation's existing PMS, augmented with the task cues participants generated during Phase 1. For each performance indicator, participants were shown the task-properties proposed to lead the feedback discussions, which aimed to explain how specific actions, decisions, and task characteristics influenced performance outcomes.

During the simulation, participants interacted with the system by reviewing their own task cues, discussing their relevance, and reflecting on how the feedback would shape future actions. The action researcher facilitated reflective dialogue, prompting participants to explain how they interpreted the feedback and whether it supported learning, role clarity, and

initiative. The finance director engaged with the simulation primarily as observer and discussion partner, focusing on how the co-developed information could be integrated into formal performance reviews.

4. Evaluation (Phase Two)

In the second round of interviews, participants evaluated the modifications made to the performance evaluation process and provided feedback on the co-developed Task Properties Feedback (TPF). They raised questions and offered insights related to the four key constructs: Counterfactual Thinking (CFT), Role Ambiguity (RA), Job-Relevant Information (JRI), and Organisational Justice (OJ).

These discussions were integral to refining the TPF, as they allowed the researcher to gauge how well the changes aligned with participants' understanding and expectations of the performance measurement system. Participants' feedback on these constructs helped to ensure that the TPF was robust, relevant, and aligned with the performance measurement objectives of the organisation.

Throughout the development process, the action researcher held regular meetings with the finance manager to ensure ongoing communication and alignment. These meetings served three primary purposes.

First, they provided an opportunity to gather valuable feedback from the finance manager regarding any potential issues or areas for improvement in the TPF simulation. This was crucial in identifying and addressing any concerns that could affect the effectiveness of the TPF before it was finalised.

Second, these meetings allowed the researcher to keep the finance manager updated on the progress of the development, ensuring that the project was proceeding in line with the organisation's broader performance measurement goals. This helped maintain consistency and alignment between the researcher's efforts and the organisation's objectives.

Lastly, the meetings provided a platform for discussing and addressing specific, targeted challenges that arose during the development process. Despite these discussions, the developmental process remained largely stable, as no significant issues emerged that prompted the finance manager to request major adjustments to the approach or the simulation.

This indicates that the TPF was largely well-received and aligned with the organisation's needs, contributing to the smooth progression of the research.

Data Sources and Analysis

The primary sources of qualitative data for this study were meetings, observations, semi-structured interviews, and performance measurement and feedback data, which were derived from the organisation's guidelines and its established performance measurement system. These data sources were instrumental in exploring the participatory role of employees in the development of performance feedback information, which is a central focus of this research.

The study specifically investigates how employees' involvement in the creation of performance feedback influences their initiative behaviour. In doing so, it focuses on four key constructs: Counterfactual Thinking (CFT), Role Ambiguity (RA), Job-Relevant Information (JRI), and Organisational Justice (OJ). The following section provides an in-depth overview of the data collection sources, detailing each one's contribution to the study's objectives. Furthermore, it outlines the methodology used to code the qualitative data, including the software employed for data analysis and the quality assurance measures that were implemented to ensure the reliability and validity of the findings.

Meetings, Observations, and Interviews

The qualitative data for this study was gathered through 12 meetings, which together lasted approximately 13 hours. These meetings included one finance manager and eight employees, providing a diverse range of insights into the topic under investigation. Throughout these meetings, the action researcher took detailed notes, recording details such as the date and duration of each meeting, the participants present, their relevant roles (such as title,

department, age, and years of experience), and the key discussion points. This documentation helped ensure that the context and content of each meeting were accurately captured.

Of the 12 meetings, three involved the finance manager and lasted a total of approximately 2 hours and 30 minutes. These meetings were primarily focused on discussing the strategic aspects of the study, including the broader context of the organisation's performance feedback process. The remaining nine meetings were semi-structured individual interviews with employees, which explored how the four key constructs—Counterfactual Thinking (CFT), Role Ambiguity (RA), Job-Relevant Information (JRI), and Organisational Justice (OJ)—influenced employees' behaviour in relation to performance initiative.

These interviews collectively lasted around 10.25 hours. Three of the employee interviews—those with participants A, B, and D—were conducted in Arabic at the request of the participants and later translated into English by the action researcher to ensure accessibility and consistency in the analysis. Further details on the interviews can be found in Table 4.1 below (page 93).

Each interview began with an introductory phase, where the researcher aimed to establish a comfortable and open atmosphere through casual conversation. This helped build rapport and ensured that participants felt at ease.

Following this, the action researcher explained the objectives of the project, reiterating the definition of initiative and clarifying the purpose of the interview. Participants were also informed about the expected duration of the interview, the nature of the questions, and the process for recording the conversation. Consent was obtained for the recording, ensuring that all participants were fully aware of the research procedures.

To analyse the qualitative data, thematic coding was performed using NVivo, a computer-assisted qualitative data analysis software (CAQDAS). In line with Boyatzis's (1998) principle, which emphasizes that "a good thematic code is one that captures the qualitative richness of the phenomenon," the researcher ensured that the coding process accurately reflected the depth and complexity of the data.

To ensure the reliability of the coding process and reduce the risk of errors, three quality assurance measures were implemented, as recommended by Schwandt (1997). First, the coding was kept descriptive to prevent analytical biases. Second, the coding process was structured and systematic, ensuring consistency across the data.

Lastly, codes were made fixed and inflexible, which meant that once the codes were established, they remained consistent throughout the analysis. This approach resulted in clear, descriptive themes that were consistent and aligned with the study's key constructs: Counterfactual Thinking, Role Ambiguity, Job-Relevant Information, and Organisational Justice.

The development of themes followed a construct-driven process, whereby interview data were coded against the four predefined analytical categories (counterfactual thinking, role ambiguity, job-relevant information, and organisational justice). Within each category, empirical material was compared across participants to identify consistent patterns in how employees interpreted and experienced the co-developed feedback.

Phase	Activity	Number of meetings	Length of meetings (in hours)	Number of employees per meeting	Employee code	Different Line-Managers	Performance Reviewer
			~Approx~				
<i>Preparation</i>	Meetings with finance manager:	4	2.5	1	Z	Yes	Yes
	Introduction				-		
	Project design and discussions				-		
	Document analysis				-		
	Prototype Feedback						
<i>Developing TPF</i>	First round interviews:						
	Team: Accounts payable	2	1.5	1	A	Yes	Yes
	Team: Accounts payable	2	1.5	1	B	Yes	Yes
	Team: Accounts Receivable/Working capital	1	1	1	C	No	No
	Team: Business controller	1	1.5	1	D	Yes	No
	Team: Reporting	1	1	1	E	Yes	No
	Second round interviews:						
	Team: Accounts payable	1	0.75	1	A	Yes	Yes
	Team: Accounts payable	1	1	1	B	Yes	Yes
	Team: Financial IT	1	1	1	F	Yes	No
	Team: Business controller	1	1	1	G	Yes	No
Total		15	12.75	-	-	-	-

Table 4.1: Interviews Information

Reflexivity and Researcher Positionality

As an action researcher with prior professional experience in management accounting and within the case organisation, I occupied a dual role as both practitioner and researcher. This position facilitated access, trust, and contextual understanding, but it may also have influenced how data were interpreted and how participants framed their responses. My familiarity with performance measurement practices and organisational routines shaped the questions asked, the issues emphasised during discussions, and the way empirical material was analysed. To mitigate potential bias, I adopted a reflective stance throughout the research process, continuously questioning my assumptions and grounding interpretations in participants' accounts rather than personal expectations. This reflexive approach was intended to enhance the credibility and transparency of the findings.

Research Methodology and Method - Summary

This chapter has outlined the methodology undertaken to empirically examine the thesis's central proposal that co-developed TPF holds the potential to influence performance initiative positively. After examining philosophical perspectives, the interpretive approach, specifically explanatory interpretive research, emerges as the most suitable for this thesis. Interpretivism, though not strictly qualitative or quantitative, tends towards qualitative methods, focusing on understanding individuals' behaviour through interpretation. The rationale for choosing the interpretive approach is grounded in scholars who argue for research approach alignment with aims and assumptions. So, given the detailed nature of notions such as "initiative" and "perception of justice", interpretive method is favoured for its exploration of subjective judgments. This aligns with the aim of investigating how co-developed TPF influences employees' performance initiative as the thesis is mainly focused on individuals' behaviour. Furthermore, there is a necessity for interpretive research to grasp accounting practices within organisational settings.

Apart from philosophical deliberations, practicality and feasibility also play a role in selecting the research methodology. Various research limitations are considered, such as limited access to performance measurement data and documentation, the need to maintain organisation anonymity, and constraints on including organisation documents in research publications.

This thesis marks a shift in social science research, moving away from mimicking natural sciences towards gaining a deeper understanding of human behaviour in accounting practice's natural setting. It seeks to comprehend the social aspects of daily accounting practice, departing from traditional approaches.

The next chapter, chapter five, delineates the research findings. In reflecting on the adoption of an explanatory interpretivist stance, it is acknowledged that the research findings reflect the researcher's interpretation of the context at hand.

Chapter 5: Results

Introduction

This chapter presents the findings of the study, organised into four sections to ensure clarity and coherence. It aims to connect the research objectives with the evidence collected during the study, providing insights into how the co-development of task-properties feedback influences employees' initiative.

The first section ([Organisation's Performance Measurement System, page 108](#)) examines the organisation's performance measurement system, offering an overview of the methods used to assess and evaluate performance. This section outlines the dynamics, structure and practices of the current system.

The second section ([Results of The Model, page 111](#)) discusses the results obtained from interviews conducted in two phases. These interviews captured participants' perspectives on the performance measurement process and their experiences with the co-developed task-properties feedback. The section highlights patterns, themes, and differences that emerged across the phases, providing a nuanced understanding of participants' views and reactions.

The third section ([Influence of TPF Participation, page 154](#)) explores the influence of employees' participation in co-developing task-properties feedback, focusing on its role as a critical factor in fostering employees' initiative. This section examines how participation not only enhances engagement but also contributes to more meaningful and effective performance evaluations, potentially improving motivation and fairness perceptions.

Finally, the chapter concludes with a summary ([Summary, page 157](#)) of the findings, synthesising the key points discussed in the preceding sections. This summary highlights the practical and theoretical implications of the results, paving the way for a more detailed discussion and reflection in subsequent chapters.

To align the presentation of findings with the performance measurement and feedback concepts discussed in Chapter 2, the results are interpreted as evidence about how the organisation's PMS operates in practice (e.g., KPI design, evidence types, review cadence, and discretion in feedback delivery) and how feedback information is experienced by employees. In particular, participants' accounts are presented in relation to (i) the level at which feedback is delivered (primarily outcome/KPI-level versus task-level), (ii) the degree to which feedback supports learning and feedforward action, and (iii) the direction and completeness of information flow between employees and managers.

Organisation's Performance Measurement System

Propositions 1-4 and 5a-5d are analysed through interviews and document analysis. As TPF participation is suggested to influence the constructs counterfactual thinking, role ambiguity, job relevant information, and organisation justice. The thesis examined whether participants showed improvement in these four constructs and subsequently demonstrated greater initiative to enhance their performance.

This investigation began with an analysis of the organisation's performance measurement system, providing the foundational context for the study. This overview was provided in the first interview of the finance director (i.e., employee code Z). Moreover, during the interview, internal documents (i.e., organisation's performance measurement system guidelines and policies) were reviewed with the finance director. It is worth noting that the organisation does not have guidelines for performance feedback, it is totally at the discretion of the line-managers responsible for providing feedback. Therefore, after employees complete their annual performance review, the performance feedback/discussion is left to managers' discretion.

Within the organisation's performance measurement system, the annual performance review, also known as "PPR" (i.e., personal performance review), is a three-steps process.

In the first step, employees evaluate themselves in relation to their key performance indicators that have been set at the end of previous period (i.e., one year). This step includes employees adding comments about their performance for each key indicator.

The second step involves sitting with their line manager and discussing actual performance results and evidence to support the evaluation of each performance indicator.

Finally, the line manager would give performance feedback and set new targets for new year.

Furthermore, an employee's annual bonus is set based on the annual performance evaluation. The finance director noted that the feedback was not a mandatory requirement and may not take place. It is at the discretion of the line manager.

Also, according to the director's explanation, the organisation has guidelines that help line managers in designing effective SMART (i.e., specific, measurable, attainable, realistic, and time-bound) performance indicators. These SMART targets are expected to have a healthy balanced between technical (majority) and behavioural (minority) targets.

In addition to previous information, the finance director gave an overview about the impact of the hierarchical structure on organisation's strategic objectives. This also included a demonstration of targets' nature (i.e., subjectivity) in relation to each organisation's level.

Generally, the organisation's strategic targets are set by the board of directors and the organisation's strategic targets are broken down into global level, regional level, and then into national (country) level.

In other words, the targets flow is from top to bottom. That is every level's target is achieved by the level below it. As a result, all employees from all three levels (national, regional, global) contribute to the overall strategy of the organisation.

However, the impact on strategy may vary. Simply put, the global level has the highest impact on strategic objectives, then followed by regional level, and finally country level. In relation to targets nature and impact, the higher impact on strategic objectives the less subjective targets would be (see **Figure 5.1**).

Put differently, the achievement of strategic objectives is mainly driven by objective evidence (e.g., statistical data). So, for example, national offices have more room to design their own subjective measures than regional offices as the first have less impact on organisation's strategic objectives.

As a result, the organisation has the agility to operate in many countries (100 countries) as subjective measures are used when needed to embrace countries' cultural differences and specifics.



Figure 5.1: Organisation's levels and strategic objectives

Every employee has the right to decline newly set performance targets by their line manager for the new year. If the disagreement persists between the line manager and subordinates after their discussions, the problem will be resolved by an HR intervention. Also, employees are

allowed to evaluate their line manager, and the organisation keeps on informing managers about the statistics of satisfaction levels of their subordinates.

The findings from Phase 1 can be interpreted through performance measurement and feedback literature discussed in Chapter 2. In particular, the organisation's reliance on outcome-based feedback and limited task-level explanation reflects a control-oriented feedback purpose and restricted two-way information flow. These characteristics provide the baseline for evaluating the introduction of co-developed task properties feedback (TPF) in Phase 2.

Results of the Model

Phase 1: Pre Co-development Interviews

Counterfactual Thinking (Phase 1)

The action researcher asked participating employees about their use of performance feedback as a guide to inform their action plans for performance improvements (before task-properties co-development). The majority of participants noted that the performance evaluation process and feedback process are routine processes. This is mainly because the process of performance measurement and feedback was repeated every year with little to no changes. For example, participant A stated that “the discussion is a routine matter and in most cases the manager has a check list, or the check list is going to be in front of him. Therefore, there will be no much discussion in it “.

Additionally, a common experience among participants is when the feedback given ignored career development, like in participant D's comment “sometimes we don't discuss about these things regarding the development, career, I'm just not happy” and similarly participant B noted “I was lucky in this one, which is the people who have done my evaluation, comments, feedback, and targets were directed towards my development and at the same time it was directed to serve the organisation's vision or needs”. Participant B noted luck because from participant's experience performance feedback was widely ignored as in “From what I'm hearing and from what I know, the majority does not receive the evaluation after the target in the right way. Let's say they just talk about general things and in most cases, it is

just copy and paste for all of them”. These two aspects hold notable importance and are intricately linked concerning the exchange of information regarding the organisational environment and the daily tasks of employees.

Given that the organisation functions within the dynamic international transport and logistics industry, much like many other industries, the performance measurement system, acting as a management control system, should operate as an information-driven process aimed at sustaining or modifying organisational activities. Ideally, this would lead to a performance measurement process for employees that is more focused on guiding behaviour and providing developmental insights. Alternatively, what occurred was that participants received ineffective feedback information, hindering the initiation of performance improvements.

The experience of receiving performance feedback vary between participants. Particularly, when participants have newly joined the organisation, switch to another job internally (i.e., switch reporting to another manager), or their line manager is being replaced. This is primarily due to the differences in managers’ styles in handling the performance feedback. For instance, participant C has an experience of receiving informative feedback from current line manager and no feedback at all with previous line manager. Also, participant B shared similar experience of receiving useful and useless feedback from different managers as noted “some of the feedback received by my managers is good and some of them are just for the heck of it”.

For participants who received informative feedback like participant B and C, the type of feedback they received highlighted the potential areas for improvement, however it didn’t provide detailed information about “how” these areas could be developed. So, responding participants were free to use their own methods to develop a plan for improvement. This is particularly important as all participants (A, B, C, D, E) shared a common experience when they firstly joined the organisation. That was when the performance feedback they received in their early roles in the organisation was considerably limited and blurry. However, this experience became less challenging as they progress in the organisation. For example, participant D noted that “I can tell you in the beginning, I felt ok this process is done and I was a little bit frustrated because it was done in 5 minutes because I didn’t want that, right”.

Accordingly, participants' experience of performance feedback was dependant on managers' evaluative styles as participant D commented "it is always depending on who is giving me the feedback". The partial standardisation of the performance review process serves to highlight the influence of the inconsistent performance feedback on participants' initiative. In other words, any noticeable influence on participant's performance initiative may normally be attributed to discrete performance feedback as the performance evaluation process does not change.

Another essential aspect was participants' intention to enhance performance. Good intentions for performance improvement were present in all interviews with participants. For instance, participants A and C asked for trainings, but their requests were procrastinated and ended up being ignored. Also, similar good intentions noted by participant D in "it is only about as I told you sometimes, we don't discuss about these things regarding the development, career, I'm just not happy".

As a result, all participants (A, B, C, D, E) expressed their high reliance on performance feedback to give them a sense of direction for performance development and future prospects.

However, the use of performance feedback to inform actions for performance improvements is limited. Participants used different sources of information to improve their performance like internally by asking colleagues or externally by searching the internet or asking a family member.

For example, participant C relies on partner as an external source of direction, as noted in "The good thing is that – sensitive information removed – is a CFO, so if I feel like, ok there is something which I don't understand which is complex I always go to – sensitive information removed – because – sensitive information removed – can explain it to me, so I always reach out to – sensitive information removed –".

Alternatively, participant B relies on colleagues as stated "For example, if I have a problem in the operational side, I know the best person in operation, so when I have a problem, I go to him. If I have a problem in finance, let's say in GL, I know the best person in GL, so I go to

him, I get from his experience. If I have a problem in IT, I know the best person in IT and so on". The judgment of appropriateness of these resources to provide accurate information was self-determined. So, even if these resources were useful in elevating performance, they remained hidden as the performance review process does not acknowledge nor record such resources.

Furthermore, in relation to intentions. All participants (A, B, C, D, E) noted that they need to improve their own performance, however the difference in performance evaluations (positive vs negative) had resulted in altered focus. For example, when the performance evaluation is positive, the focus was on self as in participant C comment "when you are happy, when you come out happy, once you feel the sense of achievement like yes, I've achieved what I wanted to do in the last year, I've got the grade, my manager acknowledges me, you are full of enthuse and zest and you want to give more".

On the other hand, when the performance outcome is negative, this was experienced by two participants (A, C), where participant C received both positive and negative performance evaluations. Both participants developed "other-focused" counterfactual thinking.

For example, participant A highlighted that "You can see some people are really high in terms of performance and some people are very normal. This is because of one simple reason (specific evidence of what is called counterfactual thinking), even within a team, there are some people more than overloaded, that is the job he is doing required 2 persons and half in human efforts, and some persons it doesn't require 10% of the human effort. This person has a PPR, and targets and other person has a PPR and targets. This where the difference happened to me".

In this example the participant was focusing on others' actions (other-focused) rather than focusing on own actions (self-focused). Although the overall experience of receiving satisfying performance outcome was important (except the negative evaluations happened to A and C), it may not be enough to develop participants' performance where feedback information is missing to facilitate performance improvements.

In summary, in relation to participants' counterfactual thinking, there were two consistent areas noted by participants to initiate performance improvement: (1) good intentions; (2) heuristics (reference points). All Participants relatively had good intentions to initiate performance regardless of performance evaluation outcome (B, D, E received positive evaluations and A, C received negative evaluations). Nonetheless, no participant had a feedback confirmation to whether their improvement actions taken were appropriate. Thus, line managers had no control over how improvement efforts are directed.

Role Ambiguity (Phase 1)

As demonstrated earlier, the organisation's performance measurement system uses two types of key performance indicators. The first type is related to the objective part (technical) of the job which is known as hard targets while the second type focuses on the subjective part and known as soft targets. The two types form the expected work-related behaviours, and both are very important in addressing participants' perception of what is expected from them within their roles in the organisation.

First, the objective part. The performance of hard targets can be evidenced by financial system reports (objective) as explained by participant A "It was routine to a large extent. In the PPR, there are specific targets, so in a simple term you have to find evidence that proof you achieved these things, or these targets like for example providing a report".

Generally, accounting practice has a large number of repetitive tasks which is a distinctive feature that preserves different qualitative characteristics like comparability and consistency. From a perspective of setting key performance indicators, this may lead to a dead end where achieving some targets beyond certain limits becomes impractical.

For example, participant A highlighted that "Sometimes, in some departments, AP for example, in some countries for example, if a person is responsible for this country for 2 years, and this person was effective and exerts efforts and at the same time he is not loaded, let's say balanced workload. The point I want you to keep in mind is that in relation to department, targets can be finished, meaning I put targets this year, what will be the targets for next year? because your targets are done, we have done it the first year".

As a resolution, participant A explained “at the end, when all targets are achieved, currently I have one of the country’s targets all achieved with one of the team members. So, when I want to set him targets, I didn’t know what to set, seriously, so I had to think what targets should I set for him? I have to set targets for him, So I set him a target where he needs to help other members with their countries’ targets, this was his target. I’m compelled to set him targets, if I don’t, I will be punished, so what target should I set to him? I set for him things that we have shortfalls in or new developed things”.

Giving employees less relevant targets to their main role may increase role ambiguity as it can be confusing for employees to define their roles. This phenomenon also evident in participant E first interview when noted “what I noticed at the beginning when I started working, it is difficult to set the targets from the beginning. Additionally, I saw that the tricky part in this matter is how to set the targets as KPIs, that is on what basis I’m going to evaluate you, because at the beginning my work was divided between this department and that department.”

To extend previous point on the hard targets, all participants (A, B, C, D, E) have struggled to identify their roles in two situations. Firstly, at the start when they newly joined the organisation. Secondly, when they have been evaluated by evidence that requires subjective judgment (soft target), which will be discussed in the next paragraph. In regard to first situation, five participants (A, B, C, D, E) shared a common experience of having a blurry picture about their roles at the beginning.

As a result, according to them, received vague and unfair performance evaluations with limited performance feedback. However, as they progress, their roles became clearer and so did their performance evaluations.

For instance, participant E noted “nothing was clearly set for me in the beginnings when I started working. Accordingly, you can say that period was tricky for me or for my manager where it is difficult for him to set me clear targets. As time passes when you are specialised in specific tasks that make your work clear, your targets become clearer” and also added “the first 6 months we followed 1,2,3, then it is completely changed. As there will not be any changes at the end of the year, the evaluation will be based on the things you have done in the

first 6 months. Therefore, you feel it is not fair, when things are not clear at the beginning and things were not so clear, it creates a problem of how you set the target”.

As a result, the role ambiguity was high for those participants when they freshly started as they did not know what the expected task-related behaviours.

In relation to the second situation, participants were asked about their experience of receiving a performance evaluation that is different from that which they expected. All participants’ experiences have one sentiment in common, that is the issues caused by the use of soft targets (subjective). As highlighted earlier, employees normally evaluate themselves first, then they will be evaluated by their line manager.

So, this oftentimes has resulted in participants’ self-evaluation to be higher or lower than line managers’ evaluation. For example participant D noted “I created the page, I put some chat, I was uploading the files, I don’t know if you know what is – sensitive information removed –, this is something similar to Facebook, but this is for – organisation’s name removed – people, we have our page, it was fancy and I spent some time there, I added all the controllers in the group bla bla bla, I was proud of myself, then it was selfish work, I did everything, but probably I didn’t do good marketing in the region, I didn’t have enough clicks I would say, so my manager told me yea, but this is not high performer – name removed –”.

Conversely, participant D also shared an experience of a lower self-evaluation than line manager’s evaluation when noted “I can tell you for example, last year I was surprised, I had one target, but I’ll give you 2 cases, where I was surprised because my manager gave me high performance on that target”. The difference in performance evaluations between line-managers and participants showed that there was a mismatch of expected work behaviours from both sides. The mismatch of expectations as a result of subjective measures, may indicate that the expected task-related behaviours of a specific role was still ambiguous.

In order to avoid being evaluated by a performance indicator that is subjectively measured, participant G and F ([from Role Ambiguity, phase 2 interviews, page 139](#)) accepted and designed performance indicators that can only be measured objectively. For instance, participant F explained “It’s not just the judgment of the manager. It’s also the judgment of

the employee. You also have an option to say something against your PPR. If you disagree with something. If you say that, how can we measure this? You should always take it up with your manager in advance”.

Similarly, participant G noted “when I define my own targets, I already take that in consideration. Yeah, so I already I know the report that needs to be run. There's no when I propose my own targets at the beginning of the year. I already exclude the whole subjectivity part. I set it up myself so that I don't give them too much space to have subjectivity in it”. For participants G and F, the attempted evasion of using subjective measures was mainly related to the vague expectations of work-related behaviour of these performance measures. Furthermore, another interesting explanation on why employees tend to dodge subjective performance measures was added by participants A and B.

For example, participant A noted “here it depends on the personal judgment. Here, if the manager hates you, even if you have done the best SOP, he will say met expectation, or he may also be unfair, or he is threatened by you. So, I’m today as team leader and if I’m threatened by my team member, I won’t give him too much outstanding or exceeded in this kind of targets because it depends on personal judgment. In the end, nobody can punish me as I can say that I have knowledge and experience more than him” while participant B noted “Sometimes you notice that they put a specific target for a person and that target was ridiculous, it is like this person is x give him that target so he can get along with it”.

Accordingly, performance indicators with subjective judgements tend to be problematic to participants and they will usually try to avoid it. That was mainly because the subjective measures used not only did not offer any clear guidance about the expected task-related behaviours, but also may gave an opportunity for line-managers to target least favourite employees.

As subjective measures may increase role ambiguity by failing in providing definitive directions regarding behaviour, line-managers retaliation may also increase role ambiguity by exploiting subjective measures to manipulate subordinates’ performance review outcome.

Job-relevant information (Phase 1)

In the organisation, providing performance feedback to subordinates was not a mandatory requirement for line managers. As outlined in the literature chapter ([Chapter 2, Job-Relevant Information and performance initiative, page 36](#)), the use of performance feedback is important to offer valuable information for enhancing employees' performance. So, the action researcher aimed to understand how participants react when faced with a lack of pertinent information related to their daily tasks. This included situations where participants received feedback that did not contribute to the knowledge of job-relevant tasks.

The missed opportunities to provide more relevant information on tasks during semi-annual and annual performance evaluations was considered crucial. This importance is driven from the potential of performance feedback during these evaluations to act as informational sessions. Such sessions could enhance task performance by reducing tasks uncertainty through the exchange of tasks information on decisions made and tasks performance.

Thus, exploring the link between the availability of job-relevant information and participants' initiative to perform was considered critical. This is particularly essential in the field of accounting practice, where daily decisions are predominantly technical, and the accuracy of financial information is paramount in making daily and strategic decisions. For any task information to be considered "relevant," the literature ([Chapter 2, Job-Relevant Information and Performance Initiative, page 36](#)) suggested that it should possess a distinctive characteristic. This characteristic primarily is the ability to reduce task uncertainty.

Participants (A, B, C, D, E) were questioned about their experiences with the availability of job-relevant information within the existing performance measurement process (prior to the co-development of the task-properties feedback simulation), particularly within performance feedback information. So, the shared experiences of participants were explored in relation to the relevancy characteristic (i.e., decreasing tasks uncertainty) of feedback information they received ([Chapter 2, Job-Relevant Information and Performance Initiative, page 36](#))

The findings indicated that the demand for information was contingent on the level of task uncertainty. All participants (A, B, C, D, E) acknowledged that they did not seek task-related

information when they possessed experience in performing a familiar task; thus, such information was only necessary for achieving uncertain tasks. For instance, participant B sought assistance from colleagues (i.e., internal source) to acquire technical information that could aid in tackling uncertain tasks. In other words, if participant B was able to find the required information on job-relevant tasks, this may allow the participant to accomplish the task successfully.

This was articulated as "Firstly, I rely on my past experience. I came from an environment where I worked in a local country, so mainly in most cases I'm familiar with the things I do as I have been through it earlier. If the thing does not exist – irrelevant information removed – if I have a problem in the operational side, I know the best person in operation, so when I have a problem, I go to him. If I have a problem in finance, let's say in GL, I know the best person in GL, so I go to him.". the word "best" here is very important as it shows the importance of trusting the source of information in accepting tasks information.

Participant B sought information assistance for uncertain tasks, even though the participant described the feedback received as "very useful" because according to participant "it was specific and oriented in relation to the things I do". This shared experience is noteworthy as it emphasises that despite the perceived usefulness of the feedback received, the participant was still engaged in information seeking related to daily tasks. This suggested that the received feedback was incomplete even if perceived otherwise by the participant.

Likewise, participant C turned to a family member (an external source) for assistance with high-uncertainty tasks. The main reason was these tasks were beyond the participant's area of expertise (i.e., uncertain tasks), as stated "Like, for example, I specialise in receivables, so I would not go to my wife for receivables, for accounts receivables, for example, because I have been doing that for the majority of my career".

Both participant B and C were seeking information on job-related tasks despite the feedback given to them. This was mainly due to the difficulty in accomplishing daily tasks when its related information is absent. Additional examples of a personal endeavour in finding information on job-relevant tasks was noted in participants D and E response when remarked

“I will find someone who can help me” and “I try to find the information on my own” respectively.

Participant A stood out as the only participant who did not receive any performance feedback from their line manager, expressing "the problem is that the manager comes to you with a checklist, or he has planned that the discussions will be in a checklist style. Therefore, the discussion is limited to the checklist, like achieved or not achieved, just ticking."

In contrast, all other participants (B, C, D, E) did receive performance feedback as part of their annual performance measurement process in their current roles. When comparing participant A's behaviour to that of the other participants (B, C, D, E), they shared a common behaviour, which was actively seeking out job-related information (internally or externally) regardless of whether performance feedback was given or not. This behaviour was mainly initiated by the limited task information in the feedback received.

In Summary, all participants exhibited a tendency to seek out job-relevant information when faced with unfamiliar tasks. This suggests that the current feedback is ineffective in providing sufficient information on job-relevant tasks, thereby overlooking the reduction of task uncertainty. Moreover, despite those participants received performance feedback (except A), it did not appear to serve as a central point for tasks information that they intended to revisit and develop.

Organisational Justice (Phase 1)

In the literature review ([Chapter 2, Organisational Justice and Performance Initiative, page 40](#)), it was emphasised that involving subordinates in the decision-making process significantly influences their perception of organisational justice. As previously outlined, the organisation's performance measurement process includes a designated space for employees to provide comments and engage in self-evaluation, marking the initial step in the annual performance assessment. This particular space represents the sole opportunity for employees to contribute to the decision-making process regarding their yearly performance evaluation. It is noteworthy that employees can express disagreement with the evaluation results, potentially leading to an additional opportunity provided by HR for them to voice their

opinions ([further details on this process are provided in the introduction section of the Results chapter, page 107](#)).

Consequently, the action researcher aimed to comprehend how participants perceived the fairness of the performance evaluation through the existing measurement system, particularly focusing on the space provided for voice and explanation, predating the co-development of task-properties feedback. The inquiry comprised three sections aligning with the organisational justice perceptions discussed in the literature and theory chapters.

Firstly, the questions pertaining to distributive justice explored participants' perceptions of fairness concerning job tasks and the ultimate "outcome" of the annual performance evaluation, represented by the evaluation results. Secondly, inquiries on procedural justice explored participants' views on the fairness of the performance evaluation as a "process." Lastly, the section on interactional justice perception involved questions aimed at gauging participants' perceptions of their line manager's fairness in connection with their experiences during semi-annual and annual performance evaluations.

Perceptions of Distributive Justice

In accordance with the organisation's guidelines for performance measurement, targets as key performance indicators (KPIs), should be SMART (specific, measurable, attainable, relevant, and time-bound). These targets are assigned weights based on their significance, and each target is associated with specific job tasks. For instance, a receivables collector might have a target related to receivables collection percentage, involving the task of following up with debtors. Therefore, the performance of these tasks fundamentally contributes to the overall performance of targets, determining the evaluation outcome according to organisation's specific performance evaluation categories. The organisation's bonus scheme is contingent upon these performance evaluation categories. Consequently, participants placed considerable importance on task performance, as it serves as the foundation for their annual performance evaluation, ultimately influencing their bonus allocation.

Additionally, there are two characteristics of the performance evaluation process that influence distributive justice. These characteristics are voice and explanation. So, instead of

discussing the results in procedural justice section, the results of these characteristics are discussed in this section. Although voice and explanation characteristics could be attributed to procedural justice where both could be seen as characteristics of performance evaluation process. However, the discussion in this section is in line with how voice and explanation were studied in organisational justice literature, considering their effect on distributive justice. Furthermore, oftentimes it is challenging to separate distributive and procedural justice due to the overlap between an outcome and a process ([see chapter 2, Organisational Justice and Performance Initiative, page 40](#)).

The action researcher aimed to investigate how participants perceive the fairness of their performance evaluation outcomes. This was particularly crucial as the flow of organisation targets originates from higher management levels and were involuntarily assigned to employees ([refer to organisation's structure in Figure 5.1, page 110](#)). As the findings in this section were derived from phase 1 interviews, the exploration of distributive justice perception was focused on the organisation's existing performance measurement system, predating the incorporation of task-properties feedback (TPF) simulation.

Initially, the action researcher started the discussions with participants regarding their experiences with the fairness of the existing performance measurement system. Despite the question was intended as a general and introductory inquiry, all participants (A, B, C, D, E) chose to address fairness through the lens of their job tasks, even though they had the opportunity to approach it from various perspectives. Furthermore, a shared sentiment among all participants (A, B, C, D, E) was revolved around the significance of targets (KPIs) used in relation to their perception of distributive justice. As a result, the discussion on distributive justice was centred around the targets set as SMART by higher management and participants' perception of fairness in relation to their performance evaluation outcomes.

All participants (A, B, C, D, E) highlighted the fundamental connection between their daily tasks and the SMART targets established by higher management. While the assigned targets by management were supposed to fulfil SMART criteria, but in practice, concerns about fairness perception surfaced when the tasks within targets failed to meet SMART criteria as well, especially in terms of influencing performance outcomes.

Starting with the first criterion, *specific (S)*, participants did not express any reservations about their understanding of the targets. So, the first criterion was assumed to be unproblematic.

Regarding the second criterion, *measurable (M)*, participants (A, B, C, D, E) acknowledged that targets assessed objectively through quantitative reports were generally considered as measurable and did not raise any concerns about fairness. However, targets necessitating subjective evaluations were often negatively perceived, introducing implications for fairness perception. For instance, participant E recounted an experience where a subjectively measured target challenged E's perception of fairness: "If I could prove my point of view that this matter should be like this, and it didn't change no matter what I did, then I can say it is not fair. Meaning, I haven't been convinced 100% from the discussion that this thing has to be this way."

Similarly, participant A discussed the potential misuse of qualitative targets to negatively influence the outcome of performance evaluations, stating, "If the manager hates you, even if you have done the best SOP, he will say met expectation, or he may also be unfair."

Additionally, the frequent relocation of managers within the organisation added complexity to the measurability of qualitative targets for new managers. Participant A had negative experiences with a new manager and a team leader, noting challenges in aligning two different evaluations due to the inconsistent nature of subjective measurement: "every time we have a new manager, it is a big problem in the PPR. Replacing a person delays any form of review, it delays any results, and it even influences the evaluation results, and it is going to be useless and unreal". This experience highlighted the profound impact of managerial changes on performance evaluation processes, causing delays and potential distortions in evaluation results.

The *attainability* of targets (**letter A**) appeared manageable in theory, as both the line manager and the subordinate had a shared goal of reaching those targets. From a managerial perspective, the targets of subordinates essentially created from managers' targets, as elaborated in the introduction section of the results chapter, page 107. So, managers aim to accomplish their targets by leveraging their teams.

To clarify, the achievement of a subordinate's target contributes to the fulfilment of a line-manager's target. From the subordinate's standpoint, achieving targets in the most effective manner is crucial for receiving a high-performance evaluation, which secures bonuses and assists in promotions.

However, although subordinates may have common targets and daily tasks, the details can vary even within the same overarching target. To illustrate, the organisation operates regional support centres, with each centre helping several countries in its designated region, encompassing various tasks, including financial tasks.

Therefore, within a single centre, two accounts payable employees might have the same target of days payable outstanding (DPO). As a result, they might be tasked with supporting DPO in different countries in the region, each having varied operational volumes and, consequently, different workloads. For instance, participant A observed "It is nothing but bad and unfair - information omitted - It is the same job tasks, as a team, 5 people have same targets. Yet, as we said earlier if the person is overloaded, he cannot achieve his target, and the second person will be high performer". Hence, within regional centres where employees have similar targets, the perceived fairness of performance evaluation outcomes appeared influenced not only by the targets themselves but also by the specifics of those targets.

In regard to targets *relevancy* (**letter R**), all participants (A, B, C, D, E) highlighted the importance of having relevant targets to what they do on daily basis. As the established targets were imposed on participants, finding an answer to "why am I working to achieve this target" gives a sense of meaning to participants.

For example, participant D's experience of performance evaluation fairness was positive, and the reason was "targets' technical parts really make sense". Likewise, participant B emphasised relevancy as a characteristic to evaluate fairness when noted "I always put 1000 lines under logical because sometimes there are things out of logic". In the same way, participant E noted "for me it is fair enough as you are evaluated based on a task you do during the year".

Another interesting angle of relevancy was when two participants (A and B) addressed relevancy as a balance between organisation's target and personal career targets.

Participant A noted that there was not much consideration to personal's developmental targets and it was only organisation's: "it doesn't support you to reach to the level you want, meaning the targets are unachievable and are imposed on you" while participant B noted "I was lucky in this one, which is the people who have done my evaluation, comments, feedback, and targets were directed towards my development and at the same time it was directed to serve the organisation's vision or needs".

As the targets' performance is evaluated annually, the *time-bound* characteristic (**letter T**) was naturally fulfilled. Therefore, participants did not note any fairness implications in regard to the timeline of their performance evaluations. The organisation recognises the significance of keeping their targets as SMART during the year. Consequently, a mid-term evaluation is conducted with the objective of tracking progress by (1) ensuring the ongoing attainability and relevancy of targets, (2) replacing any accomplished targets with new ones, and (3) aligning managers' expectations with those of subordinates (as discussed in the sub section of [Perceptions of Procedural Justice below, page 130](#)).

As aforementioned, participants assessed the fairness of their performance evaluation outcomes based on the specificity, measurability, achievability, relevancy, and time-bound nature of their targets (SMART criteria). Thereby, the mid-term evaluation is crucial for participants' perception of fairness to prevent any divergence from SMART criteria.

Moreover, this was also evident in participant E's experience when evaluated fairness from the consistency of targets to remain SMART as noted "I can say in the mid-term when we do the re-evaluation if there are changes that need to change, we change it. Therefore, this thing was excellent for me or fair enough because if you put things at the beginning of the year it is difficult to follow throughout the year as there is a possibility that some changes might happen in first 3 months or 6 months in the first year". However, participant A noted that mid-term evaluations were not followed most of the time, noting "Generally, it should always be happening. nonetheless, it has been two years since it happened in the – region name removed –, especially within my team. Why would I lie to you, every time we have a new

manager, it is a big problem in the PPR. Replacing a person delays any form of review, it delays any results, and it even influences the evaluation results, and it is going to be useless and unreal”.

As for participants’ *voice* — that is, their ability to participate in the performance evaluation process — there are two main opportunities where they can express their opinions. However, the use of these opportunities is left to the discretion of line managers (i.e., voluntary engagement). The first opportunity occurs during discussions that accompany the organisation’s semi-annual evaluation, and the second takes place at the end of the year during the annual evaluation discussions. If these opportunities are not utilised to listen to employees’ views, then their participation (i.e., voice) in the performance decision-making process is effectively diminished.

Four participants (A, D, E from phase 1 and F from phase 2) out of seven have shared their experience related to voice space offered by their line-managers. Participant A found the experience of passing voice was unfair and challenging as it required the employee to be in higher ranks to be heard, as noted “if your voice is unheard or in the downline or let’s call frontline, nobody would listen to you as you are in operative position. Therefore, if you speak with the one who is higher than you, this person as well has no authority because he has to speak with a higher person and so on, so when the decision maker takes any action, that’s a one year gone. So, your yearly performance is gone, maybe the next year will be improved, if they fix it”. From participant A’s experience, performance evaluation outcome was influenced not solely by the opportunities provided for expression but also by the profound impact the voice itself can have.

Participant D’s experience was positive as noted “it was fair enough, it was very fair”, however, the participant was aware of colleagues who were denied the opportunity to share their experiences or express their views, as noted in “I didn’t have that experience but I know from my colleagues, this maybe only because their managers have big teams, maybe they do not have the opportunity to have interaction with them immediately, this is the time when they spend time together giving the feedback and discussing about the problems and how they can improve”.

Likewise, Participant E encountered a positive experience where opportunities to express opinions were provided, leading to a positive shift in their perception of distributive justice, as noted in “I can say in the mid-term when we do the re-evaluation if there are changes that need to change, we change it. Therefore, this thing was excellent for me or fair enough because if you put things at the beginning of the year it is difficult to follow throughout the year as there is a possibility that some changes might happen in first 3 months or 6 months in the first year”. The point addressed by participant E was very important as it showed the power of discussions during the midterm evaluation, as voice was given, it impacted participant’s fairness perception positively.

Another experience shared by participant F, which highlighted the significance of taking the initiative in a sense that in the absences of voice opportunities offered by line-managers, employees should act to make themselves heard when noted “If you don't communicate, you're not going to get anything”. Accordingly, it seemed that in both cases (voice ignorance or voice acknowledgement) participants’ voice influenced justice perception of their performance evaluation outcome.

Similar to the time frame of the two voice opportunities above, the *explanation* opportunities could be available during semi-annual and annual reviews. These can be used by line-managers to provide explanations to their subordinates about unfavourable performance outcomes. As demonstrated in literature review chapter ([Chapter 2, Organisational Justice and Performance Initiative, page 40](#)), the explanations were supposed to provide justifications about negative performance outcomes to help in eliminating subordinates’ doubts about line-managers’ intentions. It was expected that participants’ doubts were higher when the target evidence was qualitatively measured. However, even in the quantitative evidence, when a performance outcome was unfavourable, a space for discussion was important for participants to voice their opinions and also to receive paralleled explanations by line-managers.

Four participants out of five (A, B, D, E) have shared their experience and acknowledged the important role of explanation in perceiving performance evaluation outcome as fair. For instance, participant C answered “yes” to the question “If there is a reasonable explanation for areas that you are not happy with, then the performance evaluation is fair for you?” and

participant C's explanation was "you should have a human aspect to the person in terms of justifying, why he has not met the goal, and seeing whether it was really in his control or her control or not. Now, if it was in the person's control and that person has not done anything about it, ok fine, it is right on your part to say ok you are a 3, you are just doing what is needed, but if there are certain elements which are not in that person's control, then you should have some kind of exception to say that ok yes".

Likewise, participant E's experience highlighted the importance of the justifications to determine performance review fairness when noted "either I can convince him, or he can convince me with the results". Similarly, participant B had a "happy" experience because the discussion was comprehensive as noted in "when we spoke about the evaluation or final judgement it was like a long discussion, so we through each target like we were here and now we are here, we did that and no that didn't work because 1,2,3 happened, we did that and it didn't work and why we did that, so it was more of a discussion". This highlights the importance of having discussions during performance evaluation period, not only to hear them but also to justify negative evaluation outcomes.

In summary, the exploration into participants' experiences in relation to the fairness of the existing performance measurement system revealed a strong emphasis on the significance of SMART targets, particularly in relation to daily tasks. Participants commonly linked their daily tasks to SMART targets established by higher management. So, they base their fairness perception on specificity, measurability, achievability, relevancy, and timeliness of their daily tasks. The attainability of targets appeared unproblematic, given the shared goal between line managers and subordinates.

However, concerns arose when targets deviated from the SMART criteria, especially in terms of influencing performance outcomes. Participants expressed no reservations about the *specific* (S) criterion but acknowledged challenges with *measurable* (M) targets, particularly when subjected to subjective evaluations.

The qualitative nature of some targets raised fairness concerns, with instances of potential misuse for unfair influence on performance evaluation outcomes. participants stressed the importance of *relevance* (R) in fairness perception, highlighting the need for targets to align

with daily tasks and contribute to a sense of purpose. Positive perceptions of relevance were tied to targets making technical sense and being directly related to job responsibilities, while the balance between organisation and personal career targets also played a role in fairness perceptions.

The *time-bound* (T) aspect of targets, assessed annually, didn't raise fairness concerns. The organisation's commitment to mid-term evaluations aimed at maintaining SMART criteria for targets. Yet, challenges were observed, especially during managerial changes, impacting the consistent implementation of mid-term evaluations.

Participants' fairness perceptions of performance evaluation outcomes were intricately tied to the SMART criteria of their targets. The alignment between daily tasks, performance outcomes, and the SMART nature of daily tasks played a pivotal role in shaping their overall evaluation of fairness in the performance measurement system. Addressing challenges related to subjective evaluations, ensuring continuous relevance, and consistent mid-term evaluations emerged as areas for improvement to enhance fairness in participants' eyes.

Perceptions of Procedural Justice

The organisation's studied performance evaluation process serves as the focal point for examination in this thesis. This selection stems from the fact that this specific procedure exclusively determines the outcomes of participants' performance and, consequently, dictates the distribution of allocated resources such as bonuses and promotions. In relation to procedural justice, as discussed earlier in literature review chapter ([chapter 2, Organisational Justice and Performance Initiative, page 40](#)), *accuracy* and *bias suppression* were the characteristics selected to evaluate the fairness of the performance evaluation process. Therefore, the action researcher's aim was to explore participants' perception of procedural fairness, relating to (1) the goodness of the information used in the in-use performance measurement process (accuracy); (2) line-managers' influence on performance measurement process (bias-suppression).

The *accuracy* of the targets' results depended on the information used as evidence (measurement) to evaluate targets' performance. So, for each target whether it was

quantitatively or qualitatively measured, there was evidence used as performance measurement for it.

An example of a quantitative target measurement for a receivable collector would be the collection percentage from receivables aging report (from organisation's finance software). So, the aging report acts as the evidence and the measurement criteria was driven from the report.

In regard to qualitative target measurement, for example, if the target is a standardisation of operating procedure (SOP), the evidence would be the design of the procedure standardisation itself, and the measurement criteria is left to the line-manager's discretion. As the evidence of targets' performance was consistently present, the *clarity* and *reliability* of target's measurement were crucial to determine the accuracy of target's performance. This was noted by all participants in phase 1 (A, B, C, D, E).

For instance, participant A was able to match all expected target performance with their actual target performance because the measurement criteria used was lucid (accurate) from the beginning as noted "When I put myself that I was exceeded it turned out to be exceeded, and that is for a simple reason, which is the clarity of targets' measurement". Likewise, Participant B had a positive experience when the actual results mirrored reality as noted "To be honest, I was happy with the final result because it represented the reality – unnecessary text removed – my expectations were right at the time of evaluation for two consecutive years". However, for participants, the clarity and reliability of target's measurement criteria was not a straightforward process, and this has happened in two scenarios.

The first scenario was when the line-manager set a vague measurement criterion, which in turn lead to a mismatch of expectations. An example of this scenario was when participant C was frustrated because of the unclarity, so as a result, the participant didn't want to set any expectations as noted " I just go into it and just tell my manager that I have done my best and it is up to him whether I get a very clear understanding where I am, if he gives me a rating of 3, I know where I am and I don't think then I need to be there, so when I go for my PPR as of now I don't have any expectation, I'm just going to discuss whatever my KPIs were, what I

have done, why I have failed if I have failed, the reasons for it and then have an open dialogue with him and see where he rates me”.

The second scenario happened when measurement of target’s performance was based on a subjective judgment, leading to unclear and unreliable results. This has happened to participant D and E. For participant D, the mismatch happened twice, first when the expected target performance was worse than actual as noted “it was something related to administrative work – *sensitive information removed* – I put for myself, high expectation – *unnecessary information removed* – my manager told me yea, but this is not high performer” and then when the expected performance was lower than actual as noted “ I gave there met expectation because I think I could do more, right, my manager told me no no no, that’s great, that’s amazing, I’m giving you here high performer”.

Similarly, participant E had also experienced mismatched expectations in both lower and higher than expected when noted “I can say it normally happens, for at least on target or two targets. Sometimes I thought I’m met expectation, and my manager said I’m exceeding or outstanding or I see myself outstanding and he said you are met expectation. Sometimes he sees things I don’t see”.

Overall, the organisation designed the performance semi-annual review to keep the information used in targets evaluation up to date, so it reflects employees’ performance accurately. Nevertheless, as previously manifested, semi-annual reviews are frequently overlooked. Consequently, the measurement of designed targets can become unclear and unreliable, failing to accurately capture participants' performance in daily tasks. This inconsistency has led to a lack of precision in measurement accuracy.

Regarding *bias-suppression*, the organisation uses two types of evidence to measure employees’ performance, that is quantitative and qualitative. As for quantitative evidence, all participants (A, B, C, D, E) didn’t seem to have any issues as this type of evidence is irrefutable. Put simply, the line-manager cannot influence target’s performance outcome as the evidence was normally and directly generated from the organisation’s financial system. For example, participant A noted “ as long as the target is clear from the beginning and what are the measurements that you are evaluation is going to be based on, this thing didn’t cause

problems at the end, because from the beginning you have specific measurements, that is from this limit to this limit you will be in this position – unnecessary information removed – the quantitative and the things that can be measured like numerical or has math in it, we have the reports, except the qualitative”. Nevertheless, all participants (A, B, C, D, E) have shared a common experience of problematic qualitative evidence which used personal judgement as the only measurement criteria.

For instance, participants A and B added that the sole determiner of target performance in qualitative evidence is the line-manager and if the relationship with the line-manager is not satisfactory, the qualitative targets could be used purposefully to undermine employee’s performance outcome as A noted “it depends on the personal judgment. Here, if the manager hates you, even if you have done the best SOP, he will say met expectation, or he may also be unfair, or he is threatened by you” and B also noted “At the same time, targets overall shouldn’t be biased. Sometimes you notice that they put a specific target for a person and that target was ridiculous, it is like this person is x give him that target so he can get along with it”.

In a similar experience, participant E was having difficulties in determining the performance outcome as when exchanged “point of views” with line manager to reach to a reasonable judgement when noted “sensitive information removed – was trying to convince me with his or her point of view that I see this and that and it is also possible that I can convince – sensitive information removed – with my point of view. That being said, at the end we will reach to an agreement that based on 1,2,3 either I agree with – sensitive information removed – or – sensitive information removed – agrees with me”. The number of targets that require qualitative evidences was important to some roles more than others as the manager’s personal judgment may influence the final outcome of the performance review to a larger extent if the role is qualitatively focused like in participant’s A role as noted “in our work, the qualitative things are more, that is the things measured by a personal judgment” or to a lesser extent like in participant’s E role “I can say it normally happens, for at least on target or two targets”.

All points considered, the influence of managers’ personal judgement (i.e., bias-suppression) on the procedural justice of performance review was dependant on the number of qualitative evidence that use personal judgment as the only measurement criteria. That is, the more

qualitative evidence the employee has in performance evaluation, the more influence the line-manager may exercise, hence more challenging bias-suppression. The awareness of this influence was evidenced in participant's G behaviour when attempted to counteract line-manager's influence as noted in "I already excluded the whole subjectivity part. I set it up myself so that I don't give them too much space to have subjectivity in it, yeah".

Perceptions of Interactional Justice

As outlined in the literature chapter ([chapter 2, Organisational Justice and Performance Initiative, page 40](#)), interactional justice signifies the social dimension inherent in any given process. That is mainly the quality of interpersonal treatment (e.g., dignity and respect) received by employees from their line managers who oversee the process. Since the sole focus of this study was on the performance evaluation process, participants were questioned about their experiential interactions with their line-managers through the process and whether these interactions formed their basis of their perception of justice. Specifically, the treatment during semi-annual and/or annual performance evaluation period.

All participants (A, B, C, D, E) emphasised that the existence of performance discussion during their performance evaluation (semi-annual & annual) had an impact on their perception of justice. For participants, the discussion during the performance evaluation was perceived as an indicator of respectful treatment, serving as a basis for assessing the overall sense of justice. Participant B had a negative experience, noting "if the feedback is not fair, your relationship with your manager is going to be impacted to a large extent because you deserve fairness that is receiving your feedback regardless of what it was", highlighting that the perception of fairness was based on the entitlement of performance feedback (discussion) as an employee.

Previous experience was also echoed by participant D's (negative experience) who remarked "I didn't have really good relationship for some time" and the reason for that was "because the relationship from the beginning was not ok, and that reached some point where someone is giving you, click, click, click, feedback that you are not listening, when you are not taking something seriously, then definitely it cannot go to the right direction, and it is even a bigger problem if you know that you worked hard".

Participant E encountered both positive and negative experiences, forming judgments about justice based on the inclusion of discussions. Participant expressed, "I feel that the influence is significant when there is a negative or positive comment and there is no supporting discussion". Participant C described the evaluation as "fair" and the reason noted was the acknowledgement received from the line-manager during the performance evaluation discussion, commenting "There is appreciation, there is recognition as well".

Overall, the findings indicated that among the participants the presence of feedback discussion during the performance review was a crucial determinant in inferring fairness. The feedback information played a highly influential role not only in procedural justice but also in interactional justice. To phrase it differently, participants' evaluation of justice wasn't solely reliant on the features of performance feedback but also on the incorporation of information exchange that complements the procedure.

Phase 2: Post Co-development Interviews

In August 2022, the task-properties feedback simulation was developed based on input from participants and suggestions from the finance director. Subsequently, the simulation was crafted and distributed to participants for use in the second-round interviews, specifically the evaluation interviews. Participants A and B sought a meeting to seek clarification and pose queries about the simulation prior to entering the evaluation interviews stage.

Before the simulation was devised, the finance director, during the third interview, recommended that the simulation be web-based, accessible to both line managers and subordinates, and include spaces for comments.

Following the creation of the simulation, it was submitted to the finance director, and a subsequent half-hour interview (fourth interview) ensued to discuss potential improvements. The finance director expressed satisfaction with the application of his earlier suggestions and did not request any further adjustments to the simulation.

As outlined in the Methodology and Method chapter ([see chapter 4, meetings, observations, and interviews, table 4.1, page 105](#)), not all participants were involved in both phase 1 and

phase 2. Phase 1 interviews included participants A, B, C, D, and E, while phase 2 interviews involved participants A, B, F, and G (refer to Table 5.1 below).

Interview Phase	Participants
1	A, B, C, D, E
2	A, B, F, G

Table 5.1: Participants’ information by phase

Counterfactual Thinking (Phase 2)

In line with Chapter 3, I interpret TPF as influencing counterfactual thinking by making task-level contributors explicit, enabling participants to evaluate “what I did” against “what happened” and to form more actionable improvement intentions.

In Phase 1, the section on counterfactual thinking ([see Counterfactual Thinking in phase 1, page 111](#)) emerged from discussions with participants regarding the essential aspects for initiating performance development. Three consistent elements surfaced during these discussions: (1) Good intention, (2) positive performance review outcomes, and (3) heuristics (reference points). All participants (A, B, C, D, E) expressed good intentions to enhance performance and also received positive performance outcomes. However, they all encountered a lack of information to assess the effectiveness of their actions to improve performance.

Consequently, the primary objective of Phase 2 was to investigate the utilisation of co-developed task-properties feedback (simulation) to assist participants in evaluating the correctness of task-related actions. The action researcher noted that all participants (A, B, F, G) seemed to have more focus on what will help them in improving their performance if the co-developed task-properties feedback was part of the performance review process (semi-annual & annual).

Participants’ performance was normally measured against KPIs that were set at the beginning of the year. As a result, any feedback given by line managers during performance review

period was limited to KPIs level. All participants highlighted (A, B, F, G) that after they were involved in co-developing their own task properties for each individual KPI they had more information. This was through evaluating the relationship between the actions they have taken to produce their performance and the performance outcome as a result of these decisions (actions vs results).

For example, participant A stated that understanding the link between actions taken and performance outcome will offer better guidance in what to improve and why, when noted “the performance evaluation will be much better with performance contributors than being without. That is for a simple reason, if the employee reached the target, we would know how he reached it, and then we can build from there “.

Similarly, participant B stated “when there are contributors, and these contributors are detailed, that is to know where is the problem, so I expect this particular task at the end of the year, after targets end and everything, you will master it in a terrifying way because you learned the problems in this point particularly or lack of knowledge in this task you learned so it will be very easy for you”. Moreover, participant F noted that it helped in building knowledge about the task, that is decision taken and task performance “That means it's good from my knowledge 100%” because it checks what I've done”. On a similar note, participant G noted that the co-developed task properties feedback “will increase clarity” and the reason for that was “at least you know why you didn't achieve it”.

The current system of performance evaluation does not have the mechanism to identify and highlight training opportunities that facilitate learning which can assist employees to improve performance. As a result, unless there is a global, regional, or national level need for a specific training, individual trainings are challenging to conduct even when resources are available ([see Counterfactual Thinking in phase 1, page 111](#)). That is mainly because the system does not track individual’s trainings which in turn led to these individual trainings to be tight to budget approval that requires endorsements from different levels. So, for instance, if any individual training was provided, there won’t be any training records or documents to be used for future performance development.

Additionally, as demonstrated in phase 1 interviews ([see Counterfactual Thinking in phase 1, page 111](#)), all participants (A, B, C, D, E) had an experience of a challenging role start whether when newly joined the organisation, switched job internally, or changed line-manager. The co-developed task-properties feedback seemed to provide a platform for equity-based training. That is recognising that every employee's situation is unique and provides the precise resources and support required to attain the required performance results.

For example, as tasks knowledge level varies between employees, this platform can be used to identify potential areas of training needs for each role and accommodate budget approvals accordingly. This has been evidenced in participant A when noted “I think having this thing performance contributors is excellent and important. At the same time, having it and recording it accurately, especially if it is available to higher management than your direct manager, it will be a good thing, why? for sure this thing will make my job easier, so when this thing reach management, they will make it available to all employees, I was struggling for two to three years to send a message that says I need a training so I can perform better. I wasn't negligent in teaching myself; I have a general knowledge from here and there in accounting”.

Accounting roles in general are connected, so evaluating a particular job performance in isolation is challenging. The use of co-developed task-properties feedback suggested that it may have the potential to assist in identifying other roles involved in influencing the targeted role's performance.

For example, participant G noted that “I think it's clearer, because you can see who like If you have a target, maybe you divided in percentages. You should have maybe 40% impact, 20% from this person, 20% for that person and 20% for that person. So, you know, it's not completely that as the dependability on other parties. You want to discuss that during your target evaluation”.

In summary, the level of information depth provided in the co-developed task properties helped all participants (A, B, F, G) to link the decisions taken in performing job tasks and performance outcome.

Furthermore, the co-development assisted those participants to declutter the information and target the information directly related to task performance. This seemed to stimulate performance initiative by the continuous revision to decisions taken that was offered by the integration of co-developed task properties feedback.

Role Ambiguity (Phase 2)

Consistent with Chapter 3, I interpret TPF as reducing role ambiguity by clarifying the task behaviours embedded within each KPI, thereby supporting initiative through clearer role expectations and more targeted self-development action.

In Phase 1, the focus on role ambiguity was centred on participants' interpretations of their anticipated work behaviours, particularly those derived from the hard and soft measures employed in their annual performance reviews. Generally, the initial interviews revealed that hard targets (objectively measured) posed fewer challenges compared to soft targets (subjectively measured). Yet, from a technical standpoint, hard targets may also contribute to role ambiguity by being interchangeable when target was achieved, as indicated in phase 1 ([see Role Ambiguity in phase 1, 115](#)).

Regarding subjective measures, they might heighten role ambiguity due to the absence of guidance regarding expected task-related behaviours. Moreover, there is a potential for increased role ambiguity when line managers exploit subjective measures to undermine their subordinates, as observed in phase 1. As a result, phase 2 of the study is focused on exploring the potential of the participative aspect of task-properties feedback to clarify expected job-related behaviours, addressing the issues identified in Phase 1.

All participants (A, B, F, G) noted that the co-developed task properties will add clarity to all tasks. For example, participant A noted that it will help in answering how certain tasks were achieved/not achieved and exemplifying it for further development “if the employee reached the target, we would know how he reached it, and then we can build from there. For other employees who didn’t reach the target, we can use it as lead by example”.

On a similar note, participant B remarked that it will give a better sense of direction in task development “When you specify the issue, it will easier for me to work on it. If you keep it as general issue, I will never know where to start. So, instead of wasting your time and efforts on more than one thing, you focus on the thing that you have problem with”. This is very important as the successful achievement of targets may assist in identifying the expected behaviours in performing tasks successfully. In the annual performance review, each performance measure was evaluated without delving into the task-related behaviours that form the measure performance. So, the co-developed task-properties feedback not only helped all participants (A, B, F, G) to recognise task related behaviours, but also three of them (A, B, G) identified the task properties they look to develop with their line-managers.

For instance, participant A had a challenging experience of switching from telecommunication industry to logistics industry because of limited knowledge in logistics industry. Thus, if business knowledge was one of the task-properties, it would have helped a lot, as noted “I was working as an accountant in telecommunication organisation before I come here, what is my knowledge about contract logistics, how much do I know it? I don’t have enough information, so if it was written that this person needs training in business processes and business knowledge about – organisation name removed - or the logistics organisation, or in the industry we are operating in, for sure this thing will make my job easier, so when this thing reach management, they will make it available to all employees, I was struggling for two to three years to send a message that says I need a training so I can perform better”. This is a very important point in relation to participants’ (A, B, C, D, E) difficult experience when joined new to organisation, which was highlighted in role ambiguity section in phase 1 ([see Role Ambiguity in phase 1, 115](#)).

In a comparable manner, participant B started to recognise the properties that can serve more than one task behaviour as noted in “For example, the Excel overall will benefit you in 99% of your targets”. Also, similarly, participant G started to think about shared tasks with colleagues as task properties who directly affected certain task related behaviours, as noted “There's a certain skill that people cooperate with you as well. So, if you didn't achieve, for example, because of the AR manager, which is the main contributor”. Participant G is a controller, so giving an example of accounts receivable manager came from daily tasks which involved working with both accounts receivable and accounts payable managers.

In summary, the collaborative development of task properties seems to have boosted participants' performance initiative by diminishing role ambiguity. Participants (A, B, F, G) noted that task-related behaviours became more identifiable if they were to receive feedback on the co-developed task properties, ultimately fostering an increased sense of performance initiative. The co-developed task-properties feedback addressed a significant limitation identified in the annual performance review process, where performance measures were evaluated without delving into the specific task-related behaviours forming the performance measure. This feedback not only enabled all participants (A, B, F, G) to recognise task-related behaviours but also empowered three of them (A, B, G) to identify specific task properties they aim to develop with their line managers.

Job-Relevant Information (Phase 2)

As framed in Chapter 3, I interpret TPF as increasing job-relevant information by consolidating task-level cues that reduce uncertainty and guide decisions, which supports initiative through more confident task execution and purposeful learning actions.

The discussions in the preceding phase ([see Job-Relevant Information in phase 1, page 119](#)) were based on insights from the literature review ([Chapter 2, Job-Relevant Information and Performance Initiative, page 36](#)). Chapter two emphasised one crucial aspect for deeming any piece of information as "relevant" to a job. This trait was reducing task uncertainty. The findings from the initial phase indicated that all participants (A, B, C, D, E) were consistently engaged in seeking related information (internally or externally) to perform their daily tasks, indicating low availability of job-relevant information. This remained true whether the participant had received performance feedback (e.g., participant B) or had never received any performance feedback (e.g., participant A).

Therefore, the focus in phase 2 shifted towards exploring the potential of co-developed task-properties feedback in diminishing tasks uncertainty. This is by serving as a central hub facilitating the construction of task knowledge and catalysing the development of task-related knowledge.

Reducing task uncertainty prompted participants (A, B, F, G) to share their perspectives on daily task clarity when the feedback they receive includes task-properties information collaboratively designed with their line managers. All participants have linked learning and training to task-related information concerning task performance.

Participants A and F expressed that feedback on task properties would enhance task information, consequently aiding in task learning. Participant A remarked "I believe it is connected to the learning aspect we just discussed; it will certainly contribute to making more information available." Additionally, participant A continued to emphasise that learning would benefit both individuals and teams, stating "If an employee reaches the target, we can understand how they achieved it and build on that. For others who didn't reach the target, we can use it as an example, applying successful strategies to everyone." Similarly, participant F noted that one important feature of co-developed task properties feedback was the learning that originates from understanding how to perform a task and receiving feedback, confirming knowledge acquisition. Participant F mentioned, "Okay, I've learned something. I know how to move this item from A to B. *Name removed*, you are not able to move this item from a to B. You didn't, I can give you details on how to make your life easier. so, yes".

On the other hand, participant G emphasised the aspect of learning through training, stating that task-properties feedback contributes to task information and reveals unfamiliar areas that can be targeted for training purposes, noting "For example, if it is used for training, yeah.". The need for task information was also noticed when line-managers introduce new tasks to participants.

For example, participant B did have more emphasis on the usefulness of task-properties feedback in enhancing the information on unfamiliar tasks. This stress was probably derived from some of participant B's daily tasks being highly uncertain. Participant B stated "If you have tasks like A, B, C, they might not be relevant to your target. They have nothing to do with the target. I assume you need more clarification on those tasks; they should be a separate topic.". This shows the importance of co-developed task properties feedback in developing information not only for existing tasks but also for new tasks. This is crucial in familiarising individuals with new targets and reducing uncertainty.

Building on previous point, participants (A, B, F, G) have shared their approaches to utilising task properties feedback as a central source for guiding the acquisition of task-related information. For instance, participant A emphasised the perspective of incorporating higher management contributions to the task information hub, stating "Accurately recording and making it available to higher management than your direct manager would be beneficial". This is crucial, especially when task-properties feedback, functioning as an informational hub, has the potential to receive inputs from various sources, ensuring a seamless flow of information across different organisational levels.

Another example is when participant B's acknowledged the utility of task properties feedback in targeting the gaps in tasks knowledge, hence encourage seeking task-related information. Participant B noted, "When I identify a target shortfall, I will automatically address it, ensuring my overall performance aligns with or exceeds the target. It's positive for majority of people because sometimes you may overlook a shortfall due to lack of awareness or knowledge, and it's beneficial to have it highlighted in your PPR. This way, you can set specific steps to work on the identified areas and subsequently achieve your target."

Moreover, this acknowledgment also accentuates another key feature of task properties feedback, namely, addressing tasks in each performance target. This trait is pivotal for initiating target performance, given that each target comprises multiple tasks. Echoing participant B, participant F highlighted the importance of using task properties feedback in guiding performance development. Participant F stated, "You have to work on xyz, I would work on xyz throughout the year to the next year, and if I have a question or an issue with performing xyz in terms of I need more data. I need more information. I need more training".

Lastly, participant G emphasised the usefulness in relation to training design, particularly focusing on leadership development. Participant stated, "Yes, for example, leadership. There are numerous learning modules available."

In summary, the exploration in phase 2 primarily emphasised the multifaceted benefits of task properties feedback as a comprehensive tool for co-building tasks information to target performance development. In other words, the participants' diverse perspectives illustrated its potential positive impact on enhancing task-related information, and in turn task performance

initiative. Task properties feedback emerges as more than just a mechanism for providing insights into daily tasks; it is recognised as a catalyst for continuous learning and information seeking which both aid performance improvement. By exploring the performance on tasks level, participants highlighted its potential to act as a source of a dynamic informational hub driving positive change. Then the feedback becomes a powerful instrument generated from the hub for addressing tasks deficiencies, streamlining tasks' processes, and fostering a supportive environment to ongoing enhancement.

Organisational Justice (Phase 2)

In line with Chapter 3, I interpret TPF as shaping justice perceptions by strengthening voice and explanation through documented task-level discussion and by increasing transparency of judgement, thereby supporting initiative through greater engagement and acceptance of performance improvement efforts.

During Phase 1, attention was directed towards participants' perception of justice concerning the organisation's current performance measurement process. In phase 2, the focus shifted to participants' perception of justice following the integration of feedback on co-developed task properties. In both phases, organisational justice was examined through three consistent justice elements: distributive justice, procedural justice, and interactional justice.

Reflections on Distributive Justice

The discussion on distributive justice revolved around participants' fairness perception of their performance evaluation outcomes. In the initial phase, the flow of the discussion was shaped by how participants approached fairness in relation to their performance evaluation outcomes. Their discussions centred around daily tasks, considering it the primary factor influencing performance evaluation outcomes. Participants highlighted that if daily tasks were deemed fair, the performance evaluation outcome may be called fair. Accordingly, as discussed in phase 1, participants evaluation of fairness was grounded in their daily tasks meeting the SMART criteria ([see Perceptions of Distributive Justice in phase 1, page 122](#)).

Further, there were two characteristics that appeared to in literature that may influence the perception of distributive justice. These characteristics were *voice* and *explanation*. During

phase 1, participants emphasised their daily tasks, voice, entitlement to explanations as the central elements in determining the fairness of performance outcome. Therefore, in phase 2, the incorporation of task-level details (task properties) into the performance feedback (simulation) was seen highly significant to participants' fairness perception. In other words, getting performance feedback that built around daily tasks information (i.e., task properties), voice, opportunities for explanation may facilitate participants' journey to enhancing performance through perceiving their performance evaluation outcome as fair.

Three out of four participants (A, B, F, G) pointed out that inclusion of co-developed task properties feedback would result in improved **task mastery** and **evaluation outcome adherence**, consequently, a more equitable performance evaluation outcome.

For example, participant B noted that the co-developed task properties feedback will not only improve performance, but also allow line-managers to monitor performance development more closely, which will lead to fairer evaluation outcome. Participant B provided an example (using action researcher's name) "When I say Ahmed has a problem in Excel without telling him what exactly is the problem, Ahmed will be lost all the year to solve his excel problem, but when I give him more details like you have problems 1,2,3, even for me as an evaluator or as an employee waiting for the evaluation, it will be easier for me because my manager will be able to see my improvement in 1,2,3 which I didn't have knowledge in".

Likewise, participant F agreed with participant B regarding the positive influence of the co-developing task-properties feedback in enhancing fairness. Participant F emphasised that improving fairness would encompass subordinates through the close collaboration between them and their line-managers, noting "it'll be fairer to the employee and to the manager".

Additionally, participant A and G noted that the benefits of co-developed task properties feedback can also extend to assist higher management in planning for potential performance development. This became apparent when participant A remarked "having it and recording it accurately, especially if it is available to higher management than your direct manager, it will be a good thing". Participant G echoed the importance of higher management involvement by addressing accountability, stating "in any case, someone else looks into the system to understand why you didn't achieve a certain target, it's clearer why you didn't achieve it".

Regarding **voice**, during phase 1 ([see Perceptions of Distributive Justice in phase 1, page 122](#)), participants discussed their involvement in the performance evaluation process and whether the decision-making process considered their perspectives. Four participants (A, D, E, F) shared their experiences. The findings indicated that creating communication channels during semi-annual and annual performance evaluations was crucial to improve distributive justice. Therefore, in phase 2, the emphasis was on the potential of co-developed task properties feedback to promote hearing and documenting subordinates' perspectives. This stands out as one of the primary features, involving the recording of discussions between line managers and employees regarding task-level performance.

Three out of four participants (A, F, G) in phase 2 acknowledged the improvement in fairness perception after the inclusion of the co-developed task properties feedback in their performance evaluation. Participant A emphasised that the process would be more equitable because "I'm able to record what I need, then I won't have any excuse. It is not like he comes with his arrogance and tells me you failed, and that's it. So, it is going to be like, no, I had a request, and I had provided my justifications".

Similar to participant A, participant G highlighted the distributive fairness enhancement associated with recording, stating, "It will now be there on paper as well. So, in any case, someone else looks into the system to understand why you didn't achieve a certain target, it's clearer why you didn't achieve it.". Also, participant F added that the process would not only be more equitable for subordinates but also for line managers, noting, "It works both ways. It works from the bottom up and the top down, both ways." This is crucial as the organisation operates in a hierarchical style, where the voices of both line managers and subordinates are equally important.

As a result, co-developing task properties feedback facilitated the transcription of participants' voices, ensuring their active participation in the decision-making process of their performance evaluation. This engagement can also be observed by higher management if any intervention is deemed necessary.

Explanation was revolving around the relation between the availability of justifications by line managers to participants and their perception of outcome justice, particularly regarding

justifications for why performance evaluation outcome turned out to be low. The significant majority (A, B, D, E) in phase 1 emphasised that the lack of justifications from line managers when performance results were subpar created a perception of unfairness in relation evaluation outcome.

To that end, the subsequent phase concentrated on exploring how the co-developed task properties feedback could facilitate performance discussions during semi-annual and annual evaluations, providing justifications about how task performance is affecting evaluation outcome.

All participants (A, B, F, G) in the second phase compared the performance evaluation process with and without co-developed task properties feedback. The findings suggested that there was a positive influence on distributive justice when co-developed task properties feedback was considered part of the evaluation process. For instance, participant A noted that by co-developing task properties feedback, line managers will be obligated to provide justifications as the process will be recorded and monitored, as stated in “it is not like he comes with his arrogance and tell me you failed and that’s it”.

In the same vein, participant B viewed the process as equitable due to the prospect of receiving detailed feedback about co-developed task properties, promoting performance correction, which was missing in phase 1 “there was even no explanation and what is expected from you was not even there”. For instance, participant mentioned, "You are not making progress in the target because I told you that you have a problem in x, that’s why you are not achieving the target."

Similarly, participant F highlighted the significance of sharing the co-developed feedback information in shaping perceptions of outcome fairness, particularly during semi-annual reviews. As expressed, "Any kind of information sharing is going to be better," with the rationale being, "If you don't talk to me for a year about it, I will assume that I'm doing fine."

The final participant, G, observed that the evaluation process would be fairer due to an improved grasping of the reasons behind low performance. This was articulated as, "looking

into the system to understand why you didn't achieve a certain target, it's clearer why you didn't achieve it."

Considering the observations of all participants, task properties feedback appeared to enhance distributive justice by compelling line managers to provide detailed feedback at the task level. This feedback was exclusively directed at cultivating participants' performance improvement by addressing the question of "why performance evaluation outcome was low?".

In summary, the key advantage of the co-developed task properties feedback appeared to be in the improvement of participants' performance initiative. This primarily generated from their perception of justice, which engendered from the support of daily tasks and instilling a sense of security by making performance development data accessible to higher management.

Participants' views on distributive justice were influenced by their assessment of the fairness of performance evaluation outcomes, particularly focusing on fairness of their daily tasks. Phase 1 highlighted the importance of aligning daily tasks with SMART criteria for fairness perception. Transitioning to Phase 2, participants highlighted the significance of integrating task-level details (task properties) into performance feedback (simulation).

A consensus among participants, including participants A, B, F, (those had positive experience in relation to outcome fairness) emerged regarding the potential of this modification to enhance task mastery and strengthen collaboration between line-managers and subordinates.

The collective advantages of task-properties feedback were recognised as contributors to fairer evaluations and aiding higher management in creating an audit trail for performance development, as articulated by participants A and G. This underscores the crucial role of comprehensive performance feedback in elevating fairness perception and overall performance enhancement.

Reflections on Procedural Justice

In the initial stage (phase 1), the focus was on procedural justice in connection with the two elements identified in the literature chapter ([see chapter 2, Organisational Justice and Performance Initiative, page 40](#)): (1) accuracy (clarity and reliability); (2) bias suppression. Generally, the interviews conducted in this phase underscored the paramount importance of providing avenues for communication with participants, particularly during semi-annual and annual evaluations. The absence of these communication channels may adversely affect participants' perception of procedural justice. This impact could be driven from less precise measurement criteria (accuracy), a prevalence of qualitative measures granting line-managers greater control over performance outcomes (bias suppression). Consequently, in phase 2, the incorporation of co-developed task properties was aimed at improving these two elements, which in turn potentially enhances participants' perception of procedural justice.

The initial factor, *accuracy*, revolved around the clarity and reliability of the target's measurement. As indicated by the results in phase 1, if the expectations of line managers align with those of subordinates, it may signify that the target's measurement was clear and reliable, implying accuracy. Three participants out of four in phase 2 (A, B, F) highlighted that the inclusion of task-properties feedback into the performance measurement system improves the accuracy of the process.

Participant A specifically emphasised its role in highlighting any mismatch of expectations, where the clarity and reliability of targets' measurement could be assessed by higher management. Participant A commented, "The process will be transparent and fair" Additionally, participant A spotlighted the protective aspect of the tool, stating, "we can think of it as a protection or safety tool before the incident happens". Participant A stressed the importance of this tool for ensuring reliability in measurement, noting, "It is not like he comes with his arrogance and tells me I failed; I had a request, and I had provided my justifications. I failed because this thing was not made available for me." This observation is of high importance, suggesting that task-properties feedback may not only enhance procedural justice through clarity and reliability but also contribute to verifiability.

Analogously, participant B compared the process before and after the incorporation of task properties feedback. Participant B noted that the process before was designed to avoid

blaming the organisation, describing it as "a process to dodge the blame". Moreover, participant B highlighted the lack of expectations as in "there was even no explanation and what is expected from you was not even there", indicating that task-properties feedback may assist in aligning expectations and, consequently, improving accuracy.

Likewise, participant F highlighted the effectiveness of task properties feedback in facilitating information sharing. This, in turn, contributes to aligning expectations, as expressed in the statement, "information sharing is going to be better". The absence of such sharing may lead to speculations, as mentioned: "Don't talk to me for a year about it. I will assume that I'm doing fine". With task properties feedback being co-developed, it inherently fosters information sharing. Consequently, the collaborative sharing of information improves clarity and reliability, and ultimately ensures greater accuracy.

Next, the focus on *bias suppression* in phase 1 ([see Perceptions of Procedural Justice in phase 1, page 130](#)) centred on exploring the connection between the quantity of qualitative evidence and the potential impact that line managers could exert on the final results of performance evaluations. Specifically, a high number of qualitative evidence was noted to potentially lead to increased influence, thereby diminishing the effectiveness of bias suppression and adversely affecting perceptions of procedural justice. Consequently, participants steered clear of performance targets assessed subjectively to mitigate the risk of biased evaluations.

The finance director highlighted an important weakness in the performance evaluation process: the lack of transparency regarding subjective judgments. He pointed out that while performance evaluations only presented final results, the underlying rationale for decisions often remained unclear. This, he argued, significantly impacted the perception of procedural fairness. He illustrated the issue with a common scenario: when a manager seeks to release an employee for poor performance, but fails to provide documented evidence of prior attempts to address the issue. As he noted, "What we face obviously in cases is that someone comes to you and says I have to release that person, and I have to replace that person because that person is not good. Okay, fine. Why is that person not good? Performance-wise. Well, it's not really that the person is doing his or her job, low productivity, not motivated, and so on.

Okay, what have you done over the one or one and a half years to address this with the person and document it? I have nothing, I have just spoken to the person."

The director's critique reflects a broader concern about fairness in performance management. Without proper documentation, it becomes difficult to justify decisions or ensure that employees are given a fair opportunity to improve. The finance director further emphasised this point: "It might be even that person was a low performer, and the manager has already addressed this a couple of times, but it's not documented, then it's not a fair process anymore." This lack of documentation not only undermines the fairness of the process but also opens the door to potential perceptions of bias or discrimination.

As the director concluded, "You don't give that person a chance because if you ask the other person who is going to be released and that person says no, I am a performer, I have not received anything telling me I am a low performer, and the person wants to release me because he doesn't like me, or she doesn't like me." Thus, the absence of structured, documented feedback is critical, as it jeopardises the integrity of the performance evaluation process. The finance director ultimately advocated for a more formalised approach, emphasising the need for feedback to be documented for any purpose: "I think it is really good to have something structured in documenting feedback for whatever purpose." This argument underscores the necessity of clear, transparent, and documented feedback in ensuring fairness and accountability in performance management processes.

All participants (A, B, F, G) emphasised that the incorporation of task properties feedback would improve and enhance the fairness of the performance evaluation process. For instance, participant A specifically pointed out that this improvement would lead to "fairness and transparency" in the process, highlighting the significance of recording feedback as "a protection or safety tool before the incident happens."

Similarly, participant G observed a crucial difference in that the feedback will be now there on paper as well. So, in any case, someone else looks into the system to understand why you didn't achieve a certain target, it's clearer why you didn't achieve it". Therefore, the introduction of task properties feedback holds the potential to introduce a vital element, namely accountability, thus contributing to an improved perception of procedural justice.

This enhancement is achieved through the documentation of performance feedback, which is made available to higher management.

In summary, the results accentuated the crucial role of providing accurate and unbiased performance measurement in shaping participants' perceptions of justice in the performance evaluation process.

The introduction of task properties feedback demonstrated a positive impact on procedural justice, fostering transparency, accountability, and equitable treatment. The participants' experiences highlighted the importance of clear communication and detailed feedback for a fairer and more effective evaluation process.

Reflections on Interactional Justice

The starting phase ([see Perceptions of Interactional Justice in phase 1, page 134](#)) focused on exploring participants' interactions with their line managers during performance evaluations and whether this interaction served as a foundation for their perception of justice. The findings revealed that engaging in feedback discussions during performance reviews had a substantial impact on fairness perceptions, with all participants (A, B, C, D, E) relying on these discussions to evaluate interactional justice. Accordingly, the subsequent phase (phase 2) centred around participants' utilisation of task-properties feedback to evaluate interactional justice.

Participants A and B, who were also involved in phase 1, continued to stress the significance of feedback information in shaping their perception of justice. Their experiences indicated that task-properties feedback provides an opportunity for discussion, unlike the organisation's current operational process, which lacks a conducive environment for information exchange. For instance, Participant A expressed, "When I actively contribute to defining performance criteria and engage in mechanisms that assist me in my role, and my manager makes it accessible and supports me in achieving it, I'll confront it in the end." Participant B attributed this to the fact that it "leaves space for discussion."

In contrast, participants F and G, who were not part of phase 1, shared a common perspective. Both participants emphasised that task-properties feedback would not make a difference to them, primarily because they succeeded in avoiding evaluation based on subjective measures. Participant F explained, "My KPIs are always about getting tasks done by the end of the year. It's a simple black and white: is it done? Yes or no. My KPIs are never about getting people to like you because you can't measure that." Similarly, Participant G, who set their own targets, stated, "I put my own targets there. Then they adjust it a little bit.". While acknowledging the overall improvement in fairness, participant F noted, "I see it as equally fair."

However, on a personal level, participant remarked, "My boss cannot mark me down because it won't matter if he's fair or not fair. If you've achieved, you've achieved. If you haven't achieved, you haven't achieved."

Similarly, Participant G, having control over performance targets, expressed, "I didn't have that, so for me personally, it wouldn't change also because I never had this problem."

In summary, participants A and B underwent evaluations based on subjective measures, whereas participants F and G did not. For participants A and B, the discussion formed the foundation for assessing fairness, given that subjective measures were employed, necessitating transparency from the line manager. As an illustration, participant A noted, "The manager won't be blamed, so everything will be accepted convincingly," while participant B asserted, "I feel no respect because the target you gave me is like it is just a target and see you next year."

In contrast, participants G and F dismissed the impact of line-manager discussions on fairness evaluation in both scenarios, whether with or without task-properties feedback. The primary reason was that their performance was solely supported by objective evidence, such as numerical reports. Accordingly, the nature of performance targets (subjectively or objectively measured) emerged as a crucial factor in deciding whether to consider or disregard the feedback discussion featured in task-properties feedback as a foundation for interactional justice assessment.

Influence of TPF Participation

Overview

The section addressed interviews in phase 2 ([see Phase 2: Post Co-Development Interviews, page 135](#)) have indicated that task-properties feedback holds the potential to trigger participants' performance through *counterfactual thinking, role ambiguity, job-relevant information, and organisational justice*. A crucial inquiry arises: how did the participatory aspect of the intervention process contribute to this outcome, or would the mere co-development of task properties have yielded similar effects? The subsequent sub-sections provide evidence that the participatory nature was rather influential.

Counterfactual Thinking

Streamline information. Upon receiving their regular feedback (excluding TPF), participants encountered fragmented information, leading to invested time and energy in searching for the necessary details ([see Counterfactual Thinking in phase 1, page 111](#)). However, following participants' engagement in crafting their task properties (i.e., task information), the data became more precise and directly applicable to their daily tasks ([see Counterfactual Thinking in phase 2, page 136](#)). The act of participation appears to positively impact performance initiative through ongoing feedback on the collaboratively developed task information. This enables participants to assess decisions related to their daily tasks against task performance with a reasonable level of accuracy.

Example – Participant B “instead of wasting your time and efforts on more than one thing, you focus on the thing that you have problem with”.

Role Ambiguity

Identify behaviour. Prior to TPF, participants encountered difficulties in identifying the task-related behaviours necessary to accomplish specific tasks, particularly those measured qualitatively. Consequently, some participants rejected targets with subjective measurements. As the feedback primarily concentrated on targets, it neglected information on the targets' associated tasks. This has made the required behaviours to be vague ([see Role Ambiguity in phase 1, page 115](#)).

Following TPF, there was increased clarity in recognising task-related behaviours. Participating in the design of task properties familiarised participants with the tasks linked to their targets. By discerning these associated tasks, the behaviours essential for task execution became more apparent, thereby aiding in bolstering performance initiative ([see Role Ambiguity in phase 2, page 139](#)).

Example – Participant G “It will increase clarity”.

Example – Participant F “That means it's good from my knowledge 100%”

Job-Relevant Information

Information hub. Before TPF, participants consistently sought job-related information, regardless of whether they received performance feedback. The active pursuit of information, whether from internal or external sources, indicated the presence of an information gap between feedback data and task-related information, resulting in a limited availability of job-relevant information ([see Job-Relevant Information in phase 1, page 119](#)).

Through the collaborative development of TPF, participants played a crucial role in establishing an information hub, thereby enhancing the accessibility of job-relevant information, and potentially fostering an improvement in their performance initiative ([see Job-Relevant Information in phase 2, page 141](#)).

Example – Participant A “I think definitely it is going to help in making more information available”.

Organisational Justice

Distributive Justice

Shared outcome responsibility. In the initial phase ([see Perceptions of Distributive Justice in phase 1, page 122](#)), participants assessed the fairness of their performance evaluation outcomes by examining the alignment of job tasks with SMART criteria. Although SMART criteria are typically applied at the level of performance targets, in this case, participants applied them to the level of tasks. If, for example, tasks were deemed irrelevant (letter R), the evaluation outcome was considered unfair ([see Perceptions of Distributive Justice in phase 1,](#)

[page 122](#)). Subsequent to the co-creation of TPF, three out of four participants (A, B, F) observed that the performance evaluation outcome would become fairer. This shift occurred as the performance outcome became a collaborative responsibility shared among the employee, line-manager, and higher management ([see Reflections on Distributive Justice in phase 2, page 144](#)).

Example – Participant F “It'll be fair to the system”.

Example – Participant A “The assessment will be equitable as all requirements are met and any gaps are addressed, leaving no room for excuses or justifications. The ultimate evaluation will be fair.”

Procedural Justice

Communication. In the first phase, the focus revolved around two literature elements: (1) Accuracy; (2) Bias suppression. All participants highlighted the paramount role of communication in realising these elements ([see Perceptions of Procedural Justice in phase 1, page 130](#)). In the second phase, the act of participation in designing TPF facilitated information sharing, potentially improving "accuracy" by aligning participants' and line-managers' expectations.

Moreover, participating in transcribing the TPF could mitigate “line-managers’ bias” and integrate participants’ “voice,” making documents accessible to higher management, even during conflicts. This is crucial for involving subordinates in the performance evaluation decision-making process and enhancing procedural justice. Regarding “explanation,” it is confined to line-managers’ justifications, so it might not directly influence performance initiative. However, participants’ “voice” may contribute to both the perception of procedural and distributive justice by the space offered to respond to justifications provided by line-managers ([see Reflections on Procedural Justice in phase 2, page 149](#)).

Example – Participant F “Any kind of information sharing is going to be better. it'll be fairer to the employee and to the manager”.

Example – Participant G “So in any case, someone else looks into the system to understand why you didn't achieve a certain target, it's clearer why you didn't achieve it”.

Interactional Justice

Measurement nature. Prior to TPF, all participants emphasized the importance of the feedback discussion following the performance evaluation. This significance was derived from participants' behaviour of using the discussion to assess interactional justice ([see Perceptions of Interactional Justice in phase 1, page 134](#)). After TPF, two participants (A and B), who were primarily evaluated based on subjective measures, noted that participation would enhance their perception of interactional justice and, consequently, their performance initiative. On the other hand, participants F and G, who were predominantly evaluated using objective measures, pointed out the limited impact of participation on their perception of justice. This was mainly attributed to their performance being evidenced by reports generated from the organisation's system ([see Reflections on Interactional Justice in phase 2, page 152](#)).

Example – Participant A "When I actively contribute to defining performance criteria and engage in mechanisms that assist me in my role, and my manager makes it accessible and supports me in achieving it, I'll confront it in the end."

Example – Participant F "My boss cannot mark me down because it won't matter if he's fair or not fair. If you've achieved, you've achieved. If you haven't achieved, you haven't achieved."

Results - Summary

In this chapter, the research findings from a global transport and logistics organisation have been outlined. These findings were derived by examining aspects covered in the literature review (chapter 2) and delving into trends identified by action researcher through participant interviews. The presentation of findings occurred in two chronological phases, namely phase 1 ([see Phase 1: Pre Co-development Interviews, page 111](#)) and phase 2 ([see Phase 2: Post Co-Development Interviews, page 135](#)).

Phase 1 aimed to uncover insights into participants' experiences with the in-use performance evaluation process, acting as a foundation for the co-development of the TPF simulation. Subsequently, phase 2 centred on participants' encounters with the co-created TPF simulation, exploring differences compared to the in-use performance evaluation process in terms of ability to foster participants' performance initiative through counterfactual thinking,

role ambiguity, job-relevant information, and various elements of organisational justice (i.e., distributive, procedural, and interactional).

The upcoming chapter, chapter 6, will analyse these findings, establishing connections between the literature review (chapter 2), theoretical framework (chapter 3), and results (chapter 5) in alignment with the central proposal.

Chapter 6: Discussion and Reflections

Introduction

The preceding five chapters have summarised the participatory action study conducted at a global transport and logistics organisation. While outlining the procedure employed in conducting the action study, these chapters have highlighted the primary themes emerging from participant interviews. However, they did not attempt to directly address the research question posed in [the introduction chapter \(see Background and Scope of The Thesis, page 1\)](#), aside from indicating various pertinent points relevant to the study's overarching purpose. Consequently, an overall assessment of the results has not yet been possible.

The discussion in this chapter interprets participants' reflections through the lens of performance measurement and feedback theory, particularly the distinction between outcome-level feedback and task-level feedback. The empirical material is therefore discussed in relation to established PMS concepts such as feedback purpose (control versus learning), feedback direction (top-down versus participatory), and information flow. This framing allows the findings to be situated within broader debates on how feedback design influences employee behaviour and performance development.

The primary objectives of this chapter are to consolidate all the issues arising from the study and to draw conclusions regarding the relationship between co-developing task properties feedback and performance initiative.

This chapter is structured around thematic analysis and unfolds through four main thematic sections, as outlined in Chapter 4 ([see Data Sources and Analysis, page 102](#)). The first

section explores counterfactual thinking ([page 159](#)), while the second section focuses on role ambiguity ([page 167](#)). The third and fourth sections analyse job-relevant information ([page 170](#)) and organisational justice ([page 173](#)), respectively. Finally, the fifth section concludes the chapter with a summary ([page 184](#)).

Counterfactual Thinking (Discussion & Reflections)

Background

In Chapter 4, the methodology for conducting 15 semi-structured interviews with accounting and finance personnel at a global transport and logistics organisation was outlined. These interviews yielded three predominant themes:

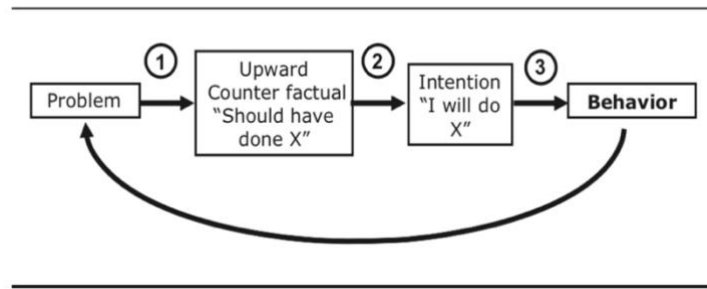
1. Linking task decisions taken to performance outcome (counterfactual thinking).
2. Training and learning.
3. Identification of accounting roles overlap in performance evaluation.

Linking task decisions taken to performance outcome

In the two phases, the exploration of this theme was guided by the functional theory of counterfactual thinking, particularly focusing on the content-specific pathway as outlined by Epstude and Roesse (2008) (refer to Counterfactual Thinking sections in [Literature Review on page 25](#) and [Theoretical Framing on page 55](#)).

In phase 1, the objective was to comprehend how participants utilised performance feedback to update their mental models and subsequently evaluated the efficacy of their task decisions resulting from counterfactual thinking. In essence, following the theory delineated in the content-specific pathway depicted in figure 6.1 on page 160, when participants identify a need through received performance feedback, such as the necessity to enhance performance, they tend to engage in upward counterfactual thinking, which entails taking actions to rectify the deficiency. The pathway comprises three sequential steps: activation by the identified need, followed by the formulation of counterfactuals based on "should've done x" derived from participants' mental models, and ultimately the intention to implement actions to modify behaviour, expressed as "I will do x".

Figure 6.1 The content-specific pathway by which counterfactuals influence behaviour.



SOURCE: Epstude & Roese, 2008 and they adopted it from Roese & Olson, 1997, and Segura & Morris, 2005.

Examining the three steps of the content-specific pathway was essential to understanding how counterfactual reasoning operates. Step 1 involved identifying the triggers that prompted participants to improve their performance. Step 2 focused on how participants used feedback to update their mental models, enabling counterfactual thinking. Step 3 addressed how these updated mental models led to the formation of intentions to change behaviour. The questions in phase 1 were therefore designed to explore two key areas: first, participants' motivations to improve performance and make informed decisions, which are vital for activating step 1 of the pathway; and second, how existing performance feedback influenced behaviour through steps 2 and 3 (Epstude & Roese, 2008).

During phase 1 (refer to counterfactual thinking in phase 1), participants A, B, C, D, and E expressed clear intentions to improve their performance. These intentions were driven by either external factors, such as bonuses and recognition, or internal dissatisfaction, consistent with findings by Adler et al. (2016). This demonstrated the activation of the content-specific pathway, which supported the development of implementation intentions (Smallman & Roese, 2007). However, a significant issue emerged: performance feedback from line managers was not mandatory and was often inconsistent or inadequate.

This lack of consistent feedback weakened the link between participants' actions and performance outcomes, particularly among newly hired employees (see counterfactual thinking in phase 1). Such disconnections are problematic because counterfactual reasoning relies on feedback to refine mental models and guide effective actions. Without this critical link, the process becomes unreliable, as noted by Kruglanski and Freund (1983) and Försterling (1994). Although step 1 successfully triggered the process, advancing to steps 2 and 3—updating behaviour and forming actionable intentions—proved challenging.

The absence of adequate feedback hindered step 2, resulting in incomplete or inaccurate mental models, which are crucial for generating appropriate actions. Consequently, step 3, which relies on the outputs of step 2, faced significant difficulties. This often led to participants expending effort on ineffective intentions to address performance gaps. This issue is critical, as behaviour is shaped by individuals' mental models of reality (Vennix, 1996). Without high-quality feedback to refine these models, the pathway's ability to drive meaningful behaviour change is significantly reduced.

Based on these findings, phase 2 ([see Counterfactual Thinking in phase 2, page 136](#)) was designed with questions informed by the insights gained in phase 1 ([see Counterfactual Thinking in phase 1, on page 111](#)). This approach was aligned with the literature discussion and the theoretical framework (refer to Counterfactual Thinking sections in [Literature Review on page 25](#) and [Theoretical Framing on page 55](#)). Recognising participants' evident need to improve performance, phase 2 introduced task properties feedback as a mechanism to update mental models and strengthen counterfactual reasoning, enabling participants to link their decisions to performance outcomes (Epstude & Roese, 2008).

In summary, phase 1 ([see Counterfactual Thinking in phase 1, on page 111](#)) revealed that improving task decisions, expressed as “should have done x,” and facilitating intentions, expressed as “I will do x,” depended on two factors. First, participants' intentions were driven by the need to improve performance, as observed in phase 1. Second, there was insufficient feedback to support the simultaneous updating of mental models. To address these limitations, phase 2 proposed developing task properties feedback collaboratively ([see Counterfactual Thinking in phase 2, page 136](#)), providing the necessary information to strengthen the pathway's effectiveness.

During phase 2, four participants (A, B, F, G) were involved, with two continuing from phase 1 (A and B) and two newly introduced (F and G) ([see chapter 5, table 5.1, page 136](#)). It was essential to explore the performance improvement intentions of participants F and G to identify triggers for activating the content-specific pathway, similar to participants A and B in phase 1. Like their counterparts, participants F and G articulated a clear motivation to enhance performance, thereby activating the pathway through the recognition of their needs. Following this activation, attention shifted to assessing the potential of co-developed Task

Properties Feedback (TPF) to support participants in steps 2 and 3 of the pathway by refining their heuristics.

All participants (A, B, F, G) acknowledged the benefits of TPF in improving task decisions, as detailed in results chapter, counterfactual thinking. The collaborative development of task properties provided participants with targeted, actionable insights, enabling them to link their decisions during task execution with performance outcomes. Furthermore, the collaborative nature of TPF with line managers helped streamline the information provided, focusing on aspects directly relevant to task performance. This process appeared to encourage performance initiative by fostering a cycle of ongoing reassessment and refinement of decisions, centred on co-developed task properties.

The collaborative discussions around task properties with line managers strengthened the accuracy of counterfactual reasoning in step 2, enabling participants to more effectively refine their mental models. For example, decisions previously framed as "should have done x" became more aligned with accurate task requirements, leading to improved decision-making and enhanced learning, as noted by participants. This aligns with findings by Hall (2011) regarding the importance of guided feedback for learning. Additionally, implementation intentions in step 3, such as "I will do x," were strengthened by task-specific discussions, providing clearer guidance for execution. Thus, TPF was proposed as a mechanism to support steps 2 and 3 of the content-specific pathway, building on the successful activation of step 1.

However, two challenges inherent to the functional theory of counterfactual thinking remain important (Epstude & Roese, 2017). Before addressing these challenges, it is crucial to highlight a contextual distinction. While the theory conceptualises the content-specific pathway as an independent cognitive process, this thesis integrates TPF as a collaborative endeavour for steps 2 and 3. This distinction is significant, as it offers an alternative perspective for addressing these challenges within the context of performance measurement processes.

The first challenge pertains to the concept of opportunity, specifically how the structure of counterfactuals aligns with their function. Opportunity here refers to whether counterfactuals focus primarily on actions within one's control or on external events beyond one's control.

Opportunity is not simply “control” versus “no control”; it’s more about whether action is both possible and meaningful in changing the situation. Earlier research suggested that counterfactuals tend to focus on controllable actions (e.g., Girotto et al., 1991; Markman et al., 1995; Roese & Olson, 1995c; Mandel & Lehman, 1996). Conversely, later studies indicated a shift towards external events (e.g., Ferrante et al., 2013; Mercier et al., 2017). This discrepancy raises a critical question: how can counterfactuals serve a functional purpose if they do not primarily focus on controllable and meaningful actions (Epstude & Roese, 2017)?

Within the context of performance feedback, the findings suggest that co-developed task properties have the potential to redirect counterfactual reasoning in step 2 towards tasks within participants’ control. This redirection arises from the shared development of task properties based on individuals’ daily practices. For instance, participant A, who initially attributed poor performance to external factors in phase 1, shifted focus to personal decisions in phase 2, reflecting a stronger self-focus for performance improvement (see chapter 5, counterfactual thinking in phase [1](#) on page 111 and [2](#) on page 136). However, this exploration underscores the need for further investigation into how opportunity influences counterfactual reasoning and performance feedback structures.

The second challenge concerns the relationship between counterfactuals and performance improvement. While counterfactuals are often linked to positive outcomes, studies have suggested that they can also lead to performance declines (Petrocelli et al., 2013; Petrocelli et al., 2016). These declines may stem from the overgeneration of counterfactuals or misremembering past experiences.

In this thesis, the collaborative focus on task-level feedback rather than broad Key Performance Indicators (KPIs) reduced the overgeneration of counterfactuals, narrowing participants' focus to specific, actionable insights. This shift—from contemplating multiple potential actions ("I should do x, y, z") to targeted decision-making ("I should do x")—appeared to mitigate the detrimental effects of excessive counterfactual generation. Additionally, documenting co-developed task properties, as recommended by Otley (1990), enhanced participants’ ability to track past actions and evaluate alternative solutions, thereby addressing the issue of misremembering.

In conclusion, addressing these challenges highlights the importance of refining counterfactual reasoning within the framework of performance feedback. By incorporating collaborative mechanisms like TPF, this thesis offers a novel perspective on how counterfactual thinking can be leveraged to optimise decision-making processes and improve performance outcomes. Further research is essential to deepen our understanding of the interplay between counterfactual reasoning and behaviour change, ensuring its functional utility in practice.

Training and Learning

The flow of information within performance measurement systems is critical for both organisational and individual learning, as it directly impacts the long-term success of organisations (Miron-Spektor, 2011; Lye et al., 2020). Chapter 2 ([see Information Flow \(two-way\) and Learning, page 19](#)) highlights the capacity of performance measurement systems to support organisational learning (see Kloot, 1997; Otley, 1999; Van Helden et al., 2001; Rouse et al., 2002; Chenhall, 2005; Henri, 2006; de Waal and Counet, 2009; Adonis, 2018; Jardioui et al., 2019), a process underpinned by individual learning (Argyris and Schon, 1978; Fiol and Lyles, 1985). This research examines task information flows in two directions: from participants to the organisation (organisational learning), and from the organisation to participants (individual learning), within the context of performance measurement.

In phase 1 ([see Counterfactual Thinking in phase 1, on page 111](#)), interviews with participants (A, B, C, D, E) revealed a restricted flow of information from the organisation to participants, impeding individual learning. Three primary factors were identified: First, new employees had limited access to feedback and training, relying instead on external or internal sources to update their mental models. Second, semi-annual and annual performance evaluations offered minimal information exchange, leaving participants to independently plan performance development. Third, the frequent rotation of line managers across branches hindered continuity due to the lack of documentation, placing the responsibility of initiating information flow on the new manager.

The flow from participants to the organisation also demonstrated limitations. Training requests from participants, based on their industry-shaped mental models, were often ignored, depriving the organisation of valuable knowledge and hindering the distribution of

information across levels. As Huber (1991) suggests, knowledge acquisition and information distribution are essential for organisational learning. Therefore, the performance measurement system's restricted information flow in both directions compromised both organisational and individual learning.

In phase 2 ([see Counterfactual Thinking in phase 2, page 136](#)), the focus shifted to how feedback on co-developed task properties could improve the flow of information in both directions, potentially enhancing performance outcomes. The flow of information from the organisation to participants appeared to improve, with feedback tailored to task properties providing clearer insights into individual needs. This approach facilitates more equitable training and targets knowledge gaps for both new and existing employees, contributing to better-targeted programs. Tailored training also signals the organisation's commitment to employee development, fostering a positive work environment. The knowledge gained from these training programs could inform performance evaluations and budget preparations, addressing concerns about training costs leading to budget deficits.

Similarly, the flow from participants to the organisation improved through involvement in the design of task property feedback. This process enables knowledge transfer from participants' mental models to the organisation, serving as a resource for organisational learning (Argyris and Schon, 1978). As suggested by participants, this feedback could also inform and update training needs (Hall, 2011). This feedback loop could help close the control loop, generating corrective actions as a by-product (Otley, 1990).

Overall, the implementation of a co-development process for task properties is recommended to improve information flow across individual, group, and organisational levels, facilitating both organisational and individual learning (Crossan et al., 1999). While this study highlights the importance of information flow in performance measurement systems, further research is needed to explore additional factors such as organisational culture and leadership dynamics, which could enhance both organisational effectiveness and employee development. Further investigation holds the potential to uncover new strategies for optimising information exchange and promoting continuous learning within organisations.

Identification of accounting roles overlap in performance evaluation

This theme emerged unexpectedly during participant interviews in phase 2 ([see Counterfactual Thinking in phase 2, page 136](#)), as it was not originally planned for inclusion in the thesis. However, its significance became clear due to the specific dynamics of the transport and logistics industry. In this sector, accounting roles are intricately interconnected with other functional areas and operational roles. Participants expressed concerns about how these interdependencies influenced their performance evaluations, with many noting that their performance targets were often tied to the success or failure of other functions. For example, roles such as accounts receivable (A/R) and accounts payable (A/P) are closely linked to working capital functions. If A/R or A/P roles perform poorly, it can create downstream consequences for the performance evaluation of working capital accountants. Similarly, delays in operations billing, which are often beyond the control of accounting personnel, can have a detrimental impact on the performance evaluations of accounts receivable collectors.

Despite the obvious impact of these role connections, they remain largely invisible within the performance measurement system. One possible explanation for this issue is the generic nature of the performance targets set for employees, which fail to capture the complexities and interdependencies between different roles. These targets do not provide sufficient insight into the interconnectedness of roles or the broader operational context in which these roles function. While these interconnections may become more apparent with experience, the failure to explicitly consider them within the performance measurement system leads to their continued neglect in performance evaluations.

A potential benefit of the Task Property Feedback (TPF) approach lies in its capacity to identify and address these role connections. By co-developing task-related feedback, TPF offers the possibility of recognising these interdependencies and providing a more comprehensive view of the factors that influence individual performance. Unlike traditional performance targets that are often function-oriented, TPF emphasises task-oriented feedback, which may better capture the nuanced relationships between roles and their impact on performance.

In conclusion, the unexpected emergence of the theme regarding role connections during participant interviews highlights the complexities inherent in the transport and logistics

industry. The interdependence between accounting roles and operational functions presents significant challenges for effective performance evaluations. Despite the clear influence of these role connections on performance outcomes, they remain obscured within the current performance measurement system, likely due to the oversimplified and generic nature of performance targets. This gap suggests the need for further research to explore the depth and implications of role connections in performance evaluations. Future research could explore the potential of task-oriented approaches, such as TPF, to identify and address these interdependencies collaboratively. By shedding light on these overlooked connections, future studies could contribute to a more accurate understanding of performance in dynamic industries like transport and logistics, ultimately leading to more effective and comprehensive performance evaluation practices.

Role-Ambiguity (Discussion & Reflections)

This thesis set out to examine how employee performance initiatives can be fostered through meaningful, motivating, and effective performance feedback. Performance feedback, as an integral component of performance measurement systems, has been suggested as a tool to enhance role clarity (Hall, 2004). One key approach to fostering such initiatives involves designing performance feedback aimed at reducing role ambiguity (e.g., Dodd & Ganster, 1996; Mukherjee & Malhotra, 2006). Accordingly, in phase 1, the research focused on understanding how existing performance feedback influenced role ambiguity and, in turn, participants' performance initiatives. In phase 2, the study explored how co-developed task properties feedback could mitigate role ambiguity and support participants' performance efforts.

In the first phase ([see Role Ambiguity in phase 1, page 115](#)), it became evident that participants' perceptions of their roles were shaped by the key performance indicators (KPIs) established at the beginning of the year. These KPIs, classified as hard (objectively measured) or soft (subjectively measured), significantly influenced participants' understanding of their roles. For instance, in an accounts payable role, well-aligned KPIs could clarify role expectations, while irrelevant KPIs could lead to role confusion, increased ambiguity, and diminished performance. This highlights the crucial role of performance feedback in addressing ambiguity by transforming irrelevant or unclear KPIs into meaningful ones. Performance feedback is essential for reducing role ambiguity by providing guidance

on tasks, responsibilities, and authority (Netemeyer et al., 1990; Pasewark & Strawser, 1996; Tubre & Collins, 2000). However, findings from phase 1 revealed several scenarios where the lack of effective feedback increased role ambiguity.

One scenario arose when hard targets were achieved before year-end and replaced with irrelevant ones, creating confusion about task-related behaviours. This practice disrupted employees' understanding of their roles and created uncertainty about expectations, undermining their ability to perform effectively. Another issue emerged with soft targets, which often resulted in discrepancies between participants' and line managers' expectations. This aligns with Robbins' (2003) argument that behaviour is shaped by individuals' perceptions of the system, as participants' actions were guided by their understanding of the soft targets, which often differed from their managers' views.

Such mismatched expectations could lead to misunderstandings, frustration, and a lack of alignment in performance evaluations. Additionally, participants A and B suggested that line managers might deliberately intensify role ambiguity by enforcing additional soft targets, thereby gaining greater control over evaluation outcomes. Participants F and G later confirmed this issue in phase 2, expressing their rejection of soft targets due to their potential misuse.

A further challenge emerged for new employees, who noted that the generic nature of performance indicators made it difficult to understand their roles. This finding aligns with goal-setting theory, which emphasises the importance of well-defined goals for role clarity. Without clearly defined goals, new employees found themselves navigating uncharted territories, leading to increased stress and a lack of direction. Overall, the findings suggest that the limited performance feedback provided in phase 1 not only increased role ambiguity but also contributed to role stress, thereby impeding participants' performance initiatives. This underscores the need for a more tailored and structured approach to feedback to address these deficiencies.

In the second phase ([see Role Ambiguity in phase 2, page 139](#)), discussions centred on the potential of co-developed task properties feedback to address the challenges identified in phase 1. The results indicated that co-developing task properties helped define the tasks associated with each KPI and guide task-related behaviours, ultimately reducing role

ambiguity. This finding aligns with Lockett & Eggleton's (1991) emphasis on understanding task nature and outcomes as essential to development strategies. By engaging employees in the process of co-developing task-related feedback, organisations can foster a sense of ownership and collaboration, ensuring that feedback is relevant and actionable. Moreover, the feedforward nature of this feedback mechanism (Steinmann, 1976) positions it as a tool for ongoing performance improvement, shifting the focus from retrospective evaluations to proactive development strategies.

While co-developed task properties feedback may not directly prevent the replacement of hard targets, providing feedback on the new tasks can help maintain their relevance and reduce ambiguity, thereby supporting performance initiatives. For soft targets, co-developed feedback focuses on creating meaningful task information, which can improve communication between participants and managers, narrow gaps in task understanding, and provide a shared basis for evaluation. This approach can also counteract the potential misuse of soft targets by fostering early agreement on expected behaviours, ensuring that both parties are aligned before year-end evaluations.

Task-oriented co-developed feedback also appeared to enhance new employees' understanding of expected behaviours, leading to better initial performance. By addressing individual needs based on factors such as industry experience and career path, this feedback mechanism aligns with Lockett & Eggleton's (1991) assertion that performance development strategies must account for individuals' prior behaviour. Such a personalised approach not only facilitates role clarity but also empowers employees to contribute effectively to organisational goals from the outset.

This research has provided valuable insights into the role of co-developed task properties feedback in reducing role ambiguity and enhancing employee performance initiatives. It highlights the limitations of traditional performance feedback mechanisms and demonstrates the potential of co-development processes to create more meaningful and effective performance measures. However, further research is needed to broaden our understanding of these mechanisms, particularly in diverse organisational structures and over longer time periods.

Future studies could explore the interplay between co-developed feedback, organisational culture, and leadership dynamics, as well as their impact on long-term employee performance and organisational success. By addressing these gaps, we can better design performance feedback systems that genuinely support employees and align individual performance with organisational objectives (Horngren & Foster, 1987). Such advancements hold promise for not only improving employee satisfaction and engagement but also driving sustained organisational growth and achievement.

Job-relevant Information (Discussion & Reflections)

In the management control literature, job-relevant information (JRI) refers to the information that assists employees in completing job-related tasks by informing their task-related decisions (Kren, 1992). Such information is essential as it minimises "pre-decision uncertainty" and enhances employees' task knowledge, thereby supporting more confident and effective decision-making (Sprinkle, 2003, p.302).

JRI is particularly valuable in dynamic and uncertain work environments, where the clarity and specificity of task information can significantly influence performance outcomes. Performance measurement systems are a key source of JRI, providing structured insights into task expectations and outcomes (Burney & Widener, 2007). Consequently, phase 1 of this study sought to explore participants' experiences in receiving JRI, specifically through performance feedback.

To be considered job-relevant, information provided to participants needed to reduce task uncertainty, enabling them to either predict task outcomes or adjust their expectations based on new insights (Romney & Steinbart, 2003). Building on these findings, phase 2 aimed to assess whether co-developed task properties feedback could more effectively address the task-related uncertainties identified in phase 1.

The findings from phase 1 ([see Job-Relevant Information in phase 1, page 119](#)) revealed significant deficiencies in the organisation's use of its performance measurement system to provide JRI.

Despite the system's potential to enhance clarity and support performance, participants frequently reported a lack of effective feedback targeting task-specific uncertainties. This shortfall compelled employees to independently seek information both internally and externally, highlighting a critical gap in the organisation's management control processes. Interviews further suggested that line managers often failed to utilise the performance measurement system as a tool for providing task-specific feedback.

This lack of engagement led to participants experiencing high levels of uncertainty in their tasks, consistent with Galbraith's (1974) assertion that information-seeking behaviours are driven by conditions of high task uncertainty.

Although most participants (four out of five) reported receiving some form of performance feedback from their line managers, the feedback consistently failed to address their task-specific uncertainties. Instead of reducing ambiguity, the feedback often left participants with unanswered questions, forcing them to seek supplementary information to guide their task decisions. This highlights a critical weakness in the feedback process and its limited capacity to reduce task uncertainty, which is a fundamental requirement for improving employee performance and decision-making.

In phase 2 ([see Job-Relevant Information in phase 2, page 141](#)), the introduction of co-developed task properties feedback was reported to offer substantial benefits, particularly in enhancing targeted learning and co-creating task-specific information. This approach aligns with the assertions of Kessler & Ashton (1981) and Regel (1987), who argue that task properties feedback is highly effective in improving task learning, especially in contexts where accounting information plays a central role.

Participants noted that co-developing feedback on job-relevant tasks not only improved their knowledge but also enabled them to make more confident and effective daily decisions (Kren, 1992). This finding resonates with Sprinkle's (2003) perspective, which emphasises that leveraging job-related information enhances task decisions by improving task-specific understanding.

Despite its promise, the application of JRI through performance measurement systems often encounters two significant challenges that co-developed feedback aims to address. The first issue is information overload, a well-documented phenomenon in the literature (e.g., Chong, 1996; Romney & Steinbart, 2003). Participants noted that certain high-uncertainty tasks, such as those requiring advanced business knowledge, proficiency in Excel, or leadership skills, were particularly prone to this issue. By focusing on co-developing information for tasks with high certainty, the feedback process helps streamline information delivery, avoiding overload and enhancing performance outcomes.

The second issue relates to tracking timeframes and monitoring learning processes, a persistent challenge in traditional performance measurement systems (Otley, 1999). The co-developed task properties feedback was designed to function as an informational hub, providing a centralised resource for monitoring task performance and updating feedback iteratively through annual cycles. By promoting accessibility across organisational levels, including HR, IT, and quality assurance, this approach fosters improved information flows that drive organisational learning. This aligns with empirical research highlighting the link between performance measurement systems and organisational learning (e.g., Kloot, 1997; Otley, 1999; Van Helden et al., 2001; Chenhall, 2005; Hall, 2016; Henri, 2019; Widener, 2020; Suomala et al., 2022).

This study contributes to Otley's (1999, p.366) fifth question regarding the feedback and feedforward loops necessary for organisational learning. By addressing gaps in task-specific feedback and improving information flows, co-developed task properties feedback offers a practical solution to enhancing learning processes and adapting organisational behaviour based on experience.

In summary, this study underscores the critical role of JRI in decision-making and performance improvement. While performance measurement systems are key sources of such information, the underutilisation of these systems in the organisation studied resulted in persistent task-related uncertainty, compelling employees to seek information independently.

Phase 2 addressed these shortcomings by introducing co-developed task properties feedback, which demonstrated significant potential in enhancing task learning and decision-making.

This approach proved particularly valuable in addressing the challenges associated with high-uncertainty tasks in complex and dynamic environments, such as transport and logistics. Future research should focus on optimising the utilisation of performance measurement data to support organisational learning and maximise the value of management control systems. By addressing these challenges, organisations can better equip their employees to navigate complex tasks, contribute effectively to organisational goals, and enhance long-term performance outcomes.

Organisational Justice (Discussion & Reflections)

Similar to numerous studies reviewed in Chapter 2 ([see Organisational Justice in Literature Review, page 40](#)), this proposal identifies the perception of justice as a pivotal factor influencing participants' behaviour, particularly in the context of performance measurement systems. Prior research (e.g., Ball, Trevino, & Sims, 1994; Colquitt et al., 2001; Cohen-Charash & Spector, 2001; Burney & Widener, 2007; Hall, 2008; Burney et al., 2009) has consistently highlighted the significant role of justice perceptions in shaping individuals' reactions to performance evaluation processes. Organisational justice theory, as highlighted by Giraud et al. (2008, p.35), provides “an interesting framework” for examining the relationship between fairness perceptions and key managerial constructs such as performance evaluation and controllability.

The theoretical framework outlined in Chapter 3 ([see Organisational Justice in Theoretical Framing, page 67](#)) proposed that the integration of co-developed task-properties feedback into the performance measurement system could foster participants' initiative and engagement by enhancing their sense of justice. To evaluate this proposition, Phase 1 focused on exploring participants' experiences and perceptions of fairness within the existing performance measurement framework. Specifically, the study examined fairness during semi-annual and annual evaluation periods, paying particular attention to participants' opportunities for “voice” (the ability to express their perspectives) and “explanation” (the provision of clear and rational justifications for decisions), as emphasised in the organisational justice literature ([see Organisational Justice in Literature Review, page 40](#)). This phase was conducted prior to introducing the co-developed task-properties feedback system.

In Phase 2, the focus shifted to examining participants' perceptions of fairness after implementing the co-developed task-properties feedback ([see Organisational Justice in phase 2, page 144](#)). The primary aim was to assess whether this feedback mechanism positively influenced participants' sense of justice and how this, in turn, affected their behaviour and performance outcomes. This phase built upon insights from Phase 1 ([see Organisational Justice in phase 1, page 121](#)), seeking to address any shortcomings in the existing system by offering a more structured and collaborative approach to feedback.

Throughout both phases, organisational justice was analysed using its three established perceptions: distributive justice (fairness in outcome distribution), procedural justice (fairness in the processes leading to outcomes), and interactional justice (fairness in interpersonal treatment during the implementation of procedures). These constructs, grounded in organisational justice theory, were instrumental in capturing the multidimensional nature of fairness as perceived by participants. Their application aligns with a rich body of management accounting literature that has emphasised the behavioural impacts of justice perceptions within performance measurement contexts.

By transitioning from traditional performance evaluations to a system incorporating co-developed task-properties feedback, this research critically evaluates whether enhancing fairness perceptions can mitigate the limitations of conventional performance measurement systems. The findings contribute to the broader discourse on organisational justice by suggesting that fostering a stronger sense of fairness could not only improve individual engagement and initiative but also enhance overall organisational performance. Future research could further explore these dynamics, particularly in diverse organisational settings, to build a more comprehensive understanding of how justice perceptions influence performance measurement and management.

Distributive Justice

Distributive justice, which concerns the fairness of outcomes, was the first concept to be explored within the framework of organisational justice (Adams, 1965). It examines how individuals perceive the fairness of the distribution of rewards, benefits, or outcomes within an organisation. While personal goals and the specific organisational context can influence

individuals' assessments of fairness (Deutsch, 1975), this section of the thesis specifically focuses on understanding how employees perceive fairness in the context of performance evaluations, which are considered outcomes of the performance evaluation process.

In Phase 1 of the study, participants' views on fairness related to their performance evaluations were investigated. The findings indicated that participants predominantly judged fairness based on the nature of their daily tasks, rather than the broader organisational goals, such as the organisation's SMART targets. This suggests that employees tend to prioritise their immediate work activities in forming perceptions of fairness.

Building on these insights, Phase 2 of the study aimed to explore whether co-developed task properties feedback could improve perceptions of fairness in relation to performance evaluations, by focusing on task-related information. The proposition was that such feedback would lead to a more equitable perception of the performance evaluation process and its outcomes.

In Phase 1, participants identified their daily tasks as the main reference for evaluating fairness in performance assessments. While the organisation's guidelines emphasised SMART targets, participants did not focus much on the elements of specificity (S) and timing (T) in their fairness judgments. Instead, they placed more importance on measurability (M), attainability (A), and relevancy (R). For example, measurable targets based on objective data, such as accounts receivable ageing reports, were generally seen as fair because they could be verified. In contrast, targets that relied on subjective assessments, like managerial opinions, were often criticised for being unfair.

This finding supports Adams' (1965) equity theory, which suggests that people evaluate fairness by comparing their inputs—such as effort, time, and skills—with their outputs, like performance evaluations, using a standard or benchmark. Participants felt that subjective evaluations often created an imbalance in this comparison, leading to perceptions of unfairness. Frequent managerial changes added to these concerns, as new managers often failed to recognise employees' previous efforts. This lack of recognition made employees feel undervalued and affected their sense of fairness.

Participants also noted that subjective evaluations were sometimes misused by managers, which made them feel unfairly treated. Three participants (A, F, and G) shared specific examples of such misuse, where subjective judgments were used to undermine employee performance. These concerns are consistent with research by Bauch et al. (2020) and Fehrenbacher (2019), which highlight the negative effects of subjective performance metrics.

Regarding attainability (A), the structure of the organisation played a significant role. Strategic targets set at the global level were divided into regional and local levels, with line managers assigning targets to their subordinates. Ideally, this system should ensure that targets are achievable across all levels. However, participants reported differences in workload that influenced their perceptions of fairness. Even when targets were identical within a team, the workload often varied due to differences in country-specific factors such as regulations or business conditions. For instance, Participant A explained that improving the days payable outstanding (DPO) target in one country was much harder than in another because of differences in business environments.

These findings highlight that even when a target is measurable, it may not always be attainable. This is particularly relevant for regional finance departments, where variations in workload across countries are common. Employees in higher workload environments felt they were putting in more effort for the same targets, which negatively affected their sense of fairness.

Relevancy (R) was another important factor discussed by participants. All participants agreed that their targets needed to align with their daily tasks and career goals. When targets were seen as irrelevant or disconnected from their work, participants felt that fairness was compromised. This finding emphasises the importance of meaningfulness in shaping perceptions of distributive justice.

In addition to the SMART characteristics, the study explored two other factors that influence perceptions of distributive justice: employee *voice* and *explanation* opportunities. Participants reported that not being able to share their opinions during performance evaluations affected their perceptions of fairness. All participants (A-G) had either experienced or knew of situations where employees' views were ignored, particularly during annual and semi-annual performance reviews. This lack of participation, which was partly due to performance

discussions not being mandatory, limited employees' involvement in the evaluation process and reduced their trust in the fairness of the outcomes.

Similarly, the absence of clear explanations for negative evaluations also affected participants' perceptions of fairness. Four out of five participants highlighted the importance of receiving reasonable justifications for poor performance ratings. This is consistent with Bies' (1987b) findings, which show that explanations help reduce doubts about a manager's intentions. When combined with the lack of opportunities to voice opinions, the absence of explanations made employees feel even more unfairly treated.

To address these issues, Phase 2 of the study introduced co-developed task properties feedback. This approach, inspired by Locke's (1968) theory of task motivation, focused on involving employees in the feedback process, giving them opportunities to express their views, and providing clear explanations about their performance. All participants in Phase 2 (A, B, F, G) agreed that this approach improved their perceptions of fairness and helped them better understand their performance evaluations.

The collaborative nature of co-developing feedback allowed participants to feel more involved and gave them a sense of ownership over their evaluations. This finding supports Locke's (1968) idea that participation increases commitment to decisions. Furthermore, the documentation of feedback ensured that evaluations were based on agreed-upon criteria, reducing the possibility of bias or unfair treatment.

Participants also valued having opportunities to express their opinions during the feedback process. For example, Participant A described this as "adding the human element," which they believed was essential for fairness. Documenting the feedback also ensured that explanations for performance outcomes were transparent, helping employees understand why they received a certain evaluation and how they could improve.

Overall, this study shows the various factors that influence perceptions of fairness in performance evaluations, with daily tasks and SMART characteristics like measurability, attainability, and relevancy playing key roles. Challenges such as subjective evaluations, differences in workload, and limited opportunities for employees to share their views also had a significant impact. The introduction of co-developed task properties feedback

demonstrated the potential of collaborative practices to address these issues, improve perceptions of fairness, and ultimately enhance performance outcomes.

Procedural Justice

In organisational justice literature, procedural justice is often intertwined with distributive justice, grounded in the relationship between processes and outcomes; a fair process typically results in fair outcomes (Parker & Kohlmeyer, 2005). This thesis adopts a similar approach, where distributive justice is discussed in relation to the fairness of performance evaluation outcomes and procedural justice concerns the fairness of the performance evaluation process itself ([see TPF Participation and Organisational Justice to Take Initiative, page 67](#)). These constructs were explored in interviews, where the terms process and outcome were defined in line with justice literature: a process is understood as the "method, manner, technique, or means by which something is accomplished," and an outcome is the "consequence, end, or result assigned by the procedure" (Cropanzano & Ambrose, 2001, p.28).

The section explores the findings related to procedural justice, particularly highlighting the significant role that participants' involvement in task-properties feedback plays in shaping their perceptions of fairness regarding the performance evaluation process. Specifically, participation in the co-development of task properties, which directly influences participants' performance targets and the feedback they receive, is a central factor.

This view resonates with previous studies that have suggested that employee participation is a catalyst for enhancing their performance development (e.g., Viteles, 1953; Maier, 1955; Likert, 1961; Vroom, 1964, as cited in Locke, 1968; Otley, 1999). The study of procedural justice through the two phases of interviews was framed around two core elements highlighted in existing literature (Leventhal, 1980; Tyler, 1989): *accuracy*, which pertains to the quality of information utilised during the performance evaluation, and *bias suppression*, which refers to the influence of line managers on the evaluation process.

Concerning accuracy, participants placed significant emphasis on the clarity and reliability of performance measurement criteria. A key determinant of the accuracy of performance evaluations was the alignment between participants' expectations and those of their line managers. When these expectations were aligned, participants perceived the performance

measures as clearer and more reliable, thus contributing to the perceived accuracy of the evaluation process.

In Phase 1, two participants (A and B) successfully aligned their expectations with those of their line managers, while three participants (C, D, and E) experienced mismatched expectations. The misalignment appeared to arise from two main issues: first, line managers' ambiguous criteria for quantitative targets, and second, the use of subjective criteria for qualitative targets, which inherently lacked clear boundaries. In both instances, whether there was a match or mismatch in expectations, the alignment of expectations seemed to influence the perceived accuracy of the evaluation.

The performance evaluation process is initiated by employees' self-evaluation ([see Chapter 5, Organisation's Performance Measurement System, page 108](#)). Mabe and West (1982) suggest that one key factor enabling participants to predict their actual performance is their ability to match their performance against established criteria. Thus, the clarity and reliability of the criteria set by line managers play a pivotal role in aligning these expectations.

Phase 2 expanded upon this concept, examining how the co-development of task properties could enhance clarity and reliability, thus improving accuracy. Three out of four participants highlighted the role of co-developed task properties in aligning expectations through clearer and more reliable performance criteria ([see Reflections on Procedural Justice in phase 2, page 149](#)). The co-development process fostered information sharing, which enhanced clarity, while reliability was reinforced through the possibility of verifiability by higher management. This was seen as crucial for fostering transparency and answering the fundamental question of "how" the process worked.

The second key element, bias suppression, was also addressed in the interviews. In Phase 1, all participants (A, B, C, D, E) noted the challenges posed by qualitative targets that relied heavily on subjective judgment ([see Perceptions of Procedural Justice in phase 1, page 130](#)). Participants were able to substantiate their performance on quantitative targets through reports generated by finance software, but they were unable to do the same for qualitative targets, which left them reliant on the subjective assessments of their line managers.

This lack of control over qualitative targets shifted power towards line managers, giving them the ability to unduly influence the performance evaluation. Furthermore, as the finance director observed, the limited documentation in the system allowed line managers to avoid accountability when suspending an employee, as only the employee's self-evaluation and the final results from line managers were recorded. Participants thus expressed a clear preference for quantitative targets to minimise potential conflicts over performance evaluations. This shift in behaviour aligns with Tyler's (1989) and Tyler and Schuller's (1990) findings, which suggested that the failure of decision makers to remain neutral in their judgments leads to negative behavioural outcomes.

Phase 2 introduced a more detailed documentation of the co-developed task properties feedback, providing additional clarity at the task level and better-defined evaluation criteria. This development helped to balance the influence of both participants and line managers in the evaluation process. Consequently, all participants (A, B, F, G) emphasised the importance of adding accountability mechanisms to encourage managers to act with neutrality. Accountability was seen as a necessary step to mitigate bias in the evaluation process and ensure fairness.

In addition, research has demonstrated that managers tend to inflate performance evaluations when the results are intended for feedback to low performers (Fisher, 1979; Ilgen & Knowlton, 1980). This tendency highlights the importance of ensuring that feedback is both accurate and unbiased, particularly for underperforming employees. While this concern is most relevant to qualitative targets (which are more prone to distortion), it is also critical to recognise that the interpretation of financial data by line managers can significantly affect how the performance evaluations are communicated to subordinates during assessments (Hopewood, 1972).

In conclusion, enhancing the accuracy and fairness of the performance evaluation process, particularly through the co-development of task properties feedback, can significantly improve participants' perceptions of justice. These improvements foster better learning, motivation (Ilgen & Knowlton, 1980), and acceptance of feedback (Ilgen et al., 1979). Additionally, fair procedures contribute to distributive justice by reinforcing perceptions of just outcomes (Cropanzano & Folger, 1991). By incorporating clear, reliable, and bias-free

feedback mechanisms, organisations can strengthen both procedural and distributive justice, ultimately benefiting both employees and organisational performance.

Interactional Justice

The final justice construct examined in this thesis concerns the social dimension of the performance evaluation process: interactional justice. Often regarded as a subcomponent of procedural justice (Lind & Tyler, 1988; Greenberg, 1990; Cropanzano & Greenberg, 1997), interactional justice posits that individuals form their perceptions of fairness based not just on the outcomes of a process, but also on how they are treated during that process (Tyler & Bies, 1990; Bobocel, McCline, & Folger, 1997). In the context of this thesis, the action researcher in Phase 1 sought to investigate the interpersonal dynamics of participants' perceptions of justice throughout their performance evaluations. This was then compared to their perceptions once they had co-developed their own task-properties feedback, providing a deeper insight into the relationship between feedback processes and perceived fairness.

In Phase 1 ([see Perceptions of Interactional Justice in phase 1, page 134](#)), the goal was to understand how participants experienced the performance evaluation process, focusing particularly on the conduct of line managers, and whether they considered the process fair or not. The results indicated that all participants (A, B, C, D, E) interpreted feedback discussions as a sign of respect, leading them to perceive the presence of procedural justice when feedback was provided (see Chapter 5, Section 5.1.1, organisational justice, interactional justice). This aligns with Bies's research, which emphasises the importance of explanatory feedback in shaping perceptions of procedural fairness (Bies, 1987; Bies & Moag, 1986; Tyler & Bies, 1990). Participants clearly valued the opportunity to engage in feedback discussions, which they viewed as part of a respectful and fair process.

A critical issue within the element of interactional justice was the nature of the feedback discussions themselves. According to the organisation's guidelines, line managers were not required to provide performance feedback. This lack of a formal requirement led to an inconsistent experience for participants.

For example, participant E received performance evaluations with and without feedback, depending on the line manager involved. Such inconsistency undermines the fairness of the

process, as consistency is a crucial component of perceived justice (Leventhal, 1980). Without a standardised approach to feedback provision, participants may find it difficult to perceive the process as just, as the absence of feedback or an arbitrary approach to its provision can lead to feelings of unfairness.

In Phase 2 ([see Reflections on Interactional Justice in phase 2, page 152](#)), the focus shifted towards exploring how the co-development of task-properties feedback might help offer explanatory, consistent, and fair feedback, as suggested in Phase 1. This shift aimed to improve perceptions of procedural justice by addressing the inconsistencies noted in Phase 1. An interesting development emerged in discussions with four participants (A, B, F, G). Participants A and B (interviewed in both Phase 1 and Phase 2) continued to emphasise the importance of feedback discussions, particularly as some of their targets involved subjective measurements. They recognised that the co-developed task properties facilitated more consistent feedback discussions and provided clearer explanations.

However, participants F and G (interviewed only in Phase 2) pointed out that their evaluations were based solely on quantitative measurements. For these participants, procedural injustice could only arise if their performance evaluations did not accurately reflect the quantitative evidence provided. This highlights the distinct concerns that arise from different types of performance targets, with subjective targets demanding more in-depth and consistent feedback, while quantitative targets require greater focus on accuracy.

This distinction further supports the views expressed by participants F and G regarding procedural justice (see Section 6.4.2). While both participants acknowledged the general benefits of the co-developed task-properties feedback, they viewed it primarily as a precautionary measure to enhance accountability—ensuring that the evidence presented in their performance evaluations was aligned with the final assessment. This suggests that, for quantitative targets, the emphasis on accuracy and alignment between evidence and evaluation is essential to prevent perceptions of bias or injustice.

Taken together, the findings suggest that the need for consistent and explanatory feedback is strongly influenced by the nature of the performance targets. Qualitative targets, which involve a higher degree of subjectivity, require consistent and detailed feedback to ensure

transparency and fairness in the evaluation process. In contrast, for quantitative targets, the primary concern is the accuracy and objectivity of the evaluation, as participants expect the numerical data to be reflected accurately in their assessments. Therefore, while both types of targets require fair feedback, the nature of the feedback differs significantly, with subjective targets demanding more detailed explanations to justify the evaluation.

Organisational Justice Summary

In summary, this thesis explored organisational justice in relation to three key constructs: distributive justice, procedural justice, and interactional justice. As both the results and the literature suggest, these constructs are often interrelated (e.g., Cropanzano & Ambrose, 2001; Parker & Kohlmeyer, 2005). Perceptions of fairness in one area can influence perceptions of fairness in others. The introduction of co-developed task-properties feedback appeared to positively influence distributive justice by focusing on task performance, allowing for participants to express their views and enabling line managers to provide thorough explanations.

With regard to procedural justice, the enhancement of process fairness centred on the accurate and unbiased measurement of performance, addressing key concerns related to consistency and fairness in the evaluation process. Interactional justice, as discussed earlier in the literature review (see Chapter 2, Section 2.7), benefited from the provision of consistent and explanatory feedback, which not only helped ensure transparency but also reinforced participants' perceptions of fairness. By integrating these elements, organisations can better ensure that their performance evaluation processes are perceived as just.

Future research could explore whether improvements in one justice construct lead to significant improvements in others, or if the relationship between these constructs is more nuanced. Additionally, as this thesis was time-bound, further studies could investigate the long-term effects of co-developing task properties on performance evaluation processes and employee perceptions of fairness. These areas of future research could provide valuable insights into how organisations can foster a more just and equitable work environment, ultimately enhancing employee well-being and organisational performance over time. By

expanding our understanding of these dynamics, organisations can adopt more effective and fair practices that support both employee development and organisational success.

Overall, the empirical material provides consistent support for the model's predicted direction of effects. Phase 1 shows that limited task-level feedback and high managerial discretion constrained the operation of the proposed mechanisms, while Phase 2 demonstrates that TPF strengthened task-level information, role clarity, job-relevant information, and organisational justice. Where effects were weaker, this was mainly associated with roles dominated by objective evidence, indicating boundary conditions for the model rather than contradictions.

Employee participation in this study refers specifically to involvement in the co-development of task-properties feedback, rather than participation in target setting or budgeting. Through this process, participation influenced how employees interpreted performance information, reduced uncertainty about task expectations, and strengthened perceptions of fairness in evaluation processes. These perceptual changes were reflected in participants' descriptions of more proactive, self-regulated, and improvement-oriented task behaviour, consistent with the conceptualisation of employee initiative developed earlier in the thesis.

Discussion and Reflections - Summary

This chapter synthesises the discussions presented in the previous chapters, including the literature review, theoretical framework, and research findings, with the aim of examining the impact of co-developed task-properties feedback on employees' initiative. The investigation explored two primary types of impact: cognitive and motivational. The cognitive aspect was analysed through the lens of the functional theory of counterfactual thinking, specifically the content-specific pathway, along with role ambiguity and job-relevant information. On the motivational side, the analysis was framed around the concept of organisational justice, which incorporates three key elements—distributive, procedural, and interactional justice—each influencing employee performance and behaviour.

In both cognitive and motivational domains, the introduction of co-developed task-properties feedback was found to positively support participants' initiative. The feedback process

provided valuable informational support, which helped to update participants' mental models (counterfactual thinking), reduce uncertainty in their roles and guide behaviours (role ambiguity), and enhance task-related learning (job-relevant information). In addition to cognitive benefits, participants' motivation was also boosted by their perception of fairness within the organisation. This heightened sense of fairness was linked to the creation of spaces for employee voice and the provision of clear explanations (distributive justice), the enhancement of performance evaluation accuracy and neutrality (procedural justice), and the consistent delivery of explanatory feedback (interactional justice).

The final chapter will offer a comprehensive summary of the study, bringing together the key findings and insights derived from the research. It will also highlight the contributions of the study to the existing body of knowledge, with a focus on both the theoretical and practical implications of the findings. Furthermore, this chapter will address the limitations encountered during the research process, offering a critical reflection on areas that may warrant further exploration in future studies. Through this reflection, the chapter aims to provide a more nuanced understanding of the boundaries within which the findings should be interpreted and the broader implications for research in this area.

Chapter 7: Summary and Conclusions

Introduction

The aim of this chapter is to provide an abridged overview of the thesis. To achieve this aim, the chapter summary and conclusion is structured into three primary sections. The first section, Summary, presents a concise summary of the thesis objectives, methodology and methods, and key findings, bringing arguments and outcomes together in a cohesive manner. The second section, Conclusion, discusses the theoretical and empirical contributions of the research, advancing knowledge in management accounting. Finally, the third section, Limitations, addresses the limitations of the study, offering a clearer understanding of the boundaries within which the findings should be interpreted.

Summary

The aim of this thesis is to *explore the potential of involving employees in co-developing Task Properties Feedback (TPF) to influence their initiative* at a theoretical and empirical level. Specifically, it seeks to examine whether their participation in co-developing TPF can generate performance initiative through improvements in four key constructs: more informed counterfactual thinking (CFT), reduced role ambiguity (RA), increased job-relevant information (JRI), and enhanced organisational justice (OJ).

Initially, the thesis stems from an observation made during the action researcher's experience as a management accountant, specifically regarding the meaning and usefulness of performance feedback. In the industry, feedback was frequently perceived as ineffective in driving performance initiatives, with many employees expressing the sentiment, "This is not the information I was looking for." Consequently, the action researcher began reviewing academic literature on employee involvement in the performance measurement process, particularly in relation to performance feedback.

While management accounting literature did not challenge the assumption of a one-way flow of feedback information, employee participation was found to be beneficial in performance development. Accordingly, the thesis question is partially driven by industry experience, which highlighted the need for co-constructed feedback information where employee participation serves two key purposes. First, it tailors feedback to their specific needs. Second, it promotes organisational learning by integrating the insights they gain from their daily practices.

Expanding on the above, the thesis begins with a review of management accounting and psychology literature that addresses employees' participation in management control systems. This review suggested that employee involvement can be a valuable tool in fostering initiative within these systems. However, the benefits of employee participation, as explored in management accounting research, were primarily focused on employees' behaviour in areas such as budget setting and performance target design, leaving gaps in understanding its broader implications in management accounting processes.

The sentiment expressed earlier by employees in the industry was focused on daily tasks, meaning that the information they needed was primarily to perform those tasks at the highest possible level. This is a crucial point, as it plays an essential role in selecting the appropriate type of feedback for this empirical study. Consequently, the literature review shifted towards multiple cue probabilistic learning (MCPL) research, which suggests three types of performance feedback that could foster performance through task learning. These types are: task properties feedback (TPF), outcome feedback (OFB), and cognitive feedback (CFB).

TPF was considered the most suitable for the purpose of this thesis due to three main reasons. First, it is less costly and simpler compared to CFB. Second, the organisation under study already provides OFB through communicating the results of performance evaluation to all employees. Finally, TPF's structure focuses on task properties, which allows employees to participate in co-developing task information, is essential for driving task learning, and ultimately performance.

This participation enables employees to communicate and access the specific task information they need, which is important to initiating performance improvement. The sentiment expressed by employees can be aligned with the World Economic Forum's 2020 report, which emphasised the growing complexity of job tasks and identified problem-solving and critical thinking as key skills to achieve complex tasks.

Based on feedback intervention theory (Kluger and DeNisi, 1996), the effectiveness of feedback depends on where the recipient's attention is directed. The theory suggests that feedback focused on the task level, rather than the self-level, encourages behaviours aimed at improving performance. Task Properties Feedback (TPF) emphasises task learning to enhance performance; however, this thesis repositions task knowledge development as a shared process, shifting from a single source to a two-source, hence two-way flow of information. Beyond the previously mentioned benefits, employees' participation in the co-development of task properties serves as an additional source of knowledge for the organisation. This dual input plays a critical role in fostering organisational learning by facilitating the acquisition of meaningful knowledge and its distribution across various levels of the organisation.

The previous discussion addresses the initial literature review. A more extensive review revealed that employees' participation in co-developing TPF can potentially influence their initiative positively through enhancing four constructs: counterfactual thinking (CFT), role ambiguity (RA), and job-relevant information (JRI). Consistent with their use in prior empirical studies in management accounting, these constructs are employed as mechanisms to initiate performance. However, unlike previous studies that primarily examined these constructs at the management level, this thesis focuses on their impact at the employee level, offering a fresh perspective on how they influence individual initiative. In this thesis, CFT, RA, and JRI are treated as cognitive mechanisms, while organisational justice (OJ) is viewed as a motivational mechanism.

Based on the literature review, it was suggested that employees' participation in co-developing task properties feedback could enhance their initiative. This raised the main theoretical question:

- To what extent does employees' participation in task properties feedback influence their performance initiative?

As the influence on employees' initiative in this question is addressed in relation to improving four constructs. Four objectives were identified:

First objective: Explore how co-developing task properties feedback can inform employees' mental models and boost their performance initiative. This objective is guided by the functional theory of counterfactual thinking, specifically the content-specific pathway.

Second objective: Assess the role of co-developed task properties feedback in reducing role ambiguity and how this change impacts employees' performance initiative.

Third objective: Investigate how co-developed task properties feedback enhances job-relevant information and its influence on performance initiative.

Fourth objective: Evaluate how co-developing task properties feedback improves employees' perception of organisational justice and its effect on their performance initiative.

This evaluation covers three dimensions of OJ perception: distributive; procedural; and interactional.

Objectives one through three focused on the cognitive influence of employees' participation in TPF on their initiative. These objectives examine how employees' cognitive representation stimulates their behaviour toward achieving targets. In contrast, the fourth objective addresses the motivational influence on employee behaviour. It builds on studies suggesting that employee participation can act as a catalyst to enhance their perception of organisational justice, ultimately fostering their initiative.

As a result of the extensive literature review, the theoretical foundation for the empirical investigation was established through the development of four propositions, informed by management accounting and psychology literature. Each proposition will be tested throughout the study and aligned with the four constructs, forming the theoretical basis for achieving the four objectives.

Proposition One & Objective One

The first proposition is formulated to address a key cognitive effect identified in the literature as influencing employees' initiative. It builds on previous studies that have suggested feedback can trigger counterfactual thinking (e.g., Hur, 2001). While counterfactual thinking (CFT) is typically activated to resolve deficits, some studies have questioned its effectiveness in doing so. Thus, the central question posed was how the activation of CFT, through co-developed task properties feedback (TPF), could be capitalised on to effectively stimulate performance initiative. Psychology literature, particularly the functional theory of counterfactual thinking, offers two explanatory pathways for how CFT influences behaviour: the content-specific pathway and the content-neutral pathway. The content-specific pathway is deemed more relevant here, as the co-developed TPF is proposed to impact initiative through specific task-related content (i.e., task properties).

The co-development of task information between employees and their line managers is expected to update employees' mental models, facilitating learning and guiding their counterfactual thinking. While this concept is not new to management accounting—having

been examined extensively by researchers such as Kaplan and Norton (1996c) and Hall (2010)—these studies have predominantly focused on managerial rather than employee-level dynamics, which is the focus of this empirical study.

Consequently, the first proposition is formulated to investigate how the enhancement of counterfactual thinking, achieved through the updating of mental models, serves as a cognitive mechanism to influence employees' initiative.

If employees participate in developing their TPF, their counterfactual thinking is better informed to take initiative.

Proposition Two & Objective Two

The construct of role ambiguity (RA) plays a crucial role in maintaining employees' cognitive consistency. Numerous studies in psychology suggest that ambiguous roles can lead to stress, prompting individuals to engage in defensive behaviours. One widely proposed solution to reducing role ambiguity (i.e., enhancing role clarity) is the provision of feedback that is both meaningful and motivating. Since co-developed TPF (task properties feedback) fosters a two-way exchange of task-related information, employee participation is expected to make the feedback more relevant and personalised. Consequently, employees are likely to gain a clearer understanding of their roles and responsibilities, increasing their motivation to take initiative.

The second proposition explores the second objective, questioning how co-developed TPF can stimulate employees' initiative by making feedback information more relevant and intellectually significant. So, this proposition focuses on reducing role ambiguity (RA) as a cognitive mechanism to enhance employees' initiative:

If employees participate in developing their TPF, employees' roles become clearer to take initiative.

Proposition Three & Objective Three

The third and final cognitive effect on employees' initiative pertains to job-relevant information (JRI). Job-relevant information (JRI) and role ambiguity (RA) are frequently studied together, as an increase in JRI can often lead to a decrease in RA, and vice versa. However, it's essential to recognise that JRI and RA address different aspects of employee performance. While JRI focuses on the availability of information necessary for an individual to complete a specific task, RA encompasses a broader understanding of job responsibilities.

Empirical studies in management accounting and psychology suggest that a crucial factor in successfully accomplishing tasks is knowing the extent to which the information required for those tasks is accessible. This consideration is vital to prevent information overload, which can negatively impact performance.

The third proposition is developed based on various studies highlighting the significance of feedback that includes job-relevant information to foster performance initiative by enhancing task knowledge. Building on the previous points, this proposition aims to guide the third objective by examining the ability of co-developed TPF to provide the right amount of relevant and accessible task information. The availability of information is proposed to be achieved through the documentation incorporated into the task information co-development process. Simultaneously, the appropriate amount of information is expected to result from the collaborative approach between line-managers and employees to developing task information.

Thus, the third proposition centres on the potential of enhancing job-relevant information (JRI) as a cognitive mechanism to improve task knowledge and, ultimately, drive employee initiative.

If employees participate in developing their TPF, they have more job-relevant information to take initiative.

Proposition Four & Objective Four

The fourth proposition guides the objective of examining the motivational influence of co-developed TPF on employees' initiative, specifically exploring how the collaborative process of developing task properties may enhance perceptions of organisational justice, fostering a sense of fairness and encouraging employees to take initiative. Organisational justice literature identifies three key dimensions: distributive, procedural, and interactional justice. These concepts are integrated into this empirical study to capture the notion of justice within the organisation's context. Distributive justice pertains to the outcomes of performance evaluations, procedural justice focuses on the fairness of the performance measurement process, and interactional justice addresses the quality of interpersonal interactions throughout this process.

Organisational justice theory examines perceptions of fairness in the workplace. It suggested that the perceived fairness in feedback significantly influences employees' task performance and motivation. Thus, the fairness of performance feedback is crucial to the evaluation process.

In modern organisations, employee participation in performance measurement systems is highly valued and viewed as a catalyst for improved job performance. Engaging employees in co-developing task properties feedback (TPF) is proposed to shift their locus of control from external factors to self-responsibility, enhancing their commitment to evaluation decisions.

Accordingly, three key concepts of organisational justice are examined in this empirical study: distributive justice, procedural justice, and interactional justice. The summary of the theoretical framework for these constructs is outlined as follows:

Distributive justice relates to perceptions of fairness regarding performance evaluation outcomes. Participation in TPF can lead employees to view the outcome of performance evaluation as fair, positively influencing their initiative. Theoretically, co-developed task properties provides a foundation for evaluation and feedback by focusing on task-specific details in each performance target. By allowing employee input, it clarifies the reasons

behind performance evaluations, helping them assess their task-related performance decisions and enhance their initiative.

Procedural justice centres on the fairness of the performance evaluation process. This concept is examined in relation to Leventhal's (1980) process justice rules, which emphasise that employee involvement fosters transparency and accuracy in the information used during evaluations—key components in maintaining procedural fairness. Numerous empirical studies suggest that perceiving the evaluation process as fair is crucial for motivating employees and encouraging them to accept performance feedback.

Interactional justice refers to the quality of interpersonal treatment between managers and employees. Psychology literature indicates that the fairness of feedback significantly affects subordinates' relationships with their managers. Consequently, co-developing task properties feedback (TPF) is intended to help employees perceive their supervisors as honest and unbiased, fostering a fair work environment that stimulates their initiative. This aligns with Tyler's (1989) assertion that supervisors should be viewed as neutral and perceived as fair.

Considering all these points, the fourth proposition revolves around leveraging employee participation in co-developing task properties feedback (TPF) as a motivational mechanism to enhance their perception of organisational justice and, in turn, to foster initiative:

If employees participate in developing their TPF, they perceive they work in a fair environment to take initiative.

This empirical study employs a qualitative research approach to investigate the impact of employee participation in co-developing task feedback on their initiative in the workplace. Given the subjective and context-dependent nature of information perception, organisational justice and employee initiative, a qualitative methodology was chosen to capture the nuanced experiences of participants. As a result, this study aligns with explanatory interpretive accounting research, which seeks to provide insights into the subjective meanings and interpretations held by individuals.

The research design is based on a participatory action research (PAR) approach, emphasising collaboration with employees throughout the research process. A variety of data collection

methods were employed, including meetings, observations, and performance measurement and feedback data from the organisation's guidelines and system.

Two phases of semi-structured interviews were conducted, allowing participants to actively engage in the co-development of task properties feedback (TPF). This participatory approach ensured that employee perspectives were central to the process. Participants, representing all accounting specialisations, were recommended by the finance director, following the snowball sampling technique. The initial meetings with the finance director also involved document analysis, focusing on performance measurement and a general review of the existing performance measurement and feedback system.

In the first phase of interviews, participants were asked to generate as many task cues as possible for each performance measure they had. These task cues were explained as information that would assist them in achieving performance targets and would be discussed with line managers during performance reviews. After gathering the cues, the researcher identified differing ideas and had participants comment on each other's contributions, fostering collaborative brainstorming.

This method aimed to enhance discussions by directly linking task cues to daily tasks and performance initiative. Before the second round of interviews, the researcher ranked the improvement ideas and discussed them with the finance manager.

After that, the action researcher created a simulation of a simplified version of the organisation's performance measurement process using Qualtrics software, incorporating the newly co-developed task properties feedback (TPF) feature with task cues linked to each performance measure. This simulation was presented to employees during the second phase of interviews to enhance their understanding of the TPF. By using the simulation as a prototype, the aim was to stimulate knowledge integration and encourage in-depth discussions with participants to further refine the process.

Throughout both phases, the discussion questions were divided into four key areas: counterfactual thinking (CFT), role ambiguity (RA), job-relevant information (JRI), and organisational justice (OJ). This methodology not only provided valuable insights but also

empowered participants to actively contribute to and continuously reflect on the study's four objectives, effectively addressing the primary research question.

Conclusion

This thesis aimed to explore how employees' participation in co-developing task performance feedback (TPF) affects their initiative to enhance performance. This impact was assessed by examining changes in four constructs, identified in psychological literature as key mechanisms: counterfactual thinking (CFT) as a cognitive mechanism, role ambiguity (RA) as a cognitive mechanism, job-relevant information (JRI) as a cognitive mechanism, and organisational justice (OJ) as a motivational mechanism. The thesis interprets variations in employees' performance initiative—whether positive, negative, or unchanged—based on shifts in these four constructs following TPF co-development. A positive shift in employees' performance initiative is indicated by their ability to make more accurate task-related decisions (effective counterfactual thinking), a perception of reduced role ambiguity, a perception of increased access to job-relevant information, and an enhanced sense of organisational justice.

These findings situate feedback design within performance measurement systems as a behavioural and learning mechanism, complementing management accounting research that emphasises the informational and learning roles of PMS.

To address the primary question—to what extent does employees' participation in task performance feedback influence their initiative?—this thesis focused on four key objectives. Meeting these objectives through action research provided a comprehensive examination needed to answer the central question effectively.

The first objective of this thesis is to examine the functional theory of counterfactual thinking as a cognitive construct, particularly focusing on its content-specific pathway and how it supports employees' performance initiative through co-developed feedback information. While this theory is relatively new in psychology (Epstude and Roese, 2008), it has not yet been explored in management accounting research. This thesis seeks to further develop the

theory by applying it within the context of performance measurement systems and management control systems.

A key aspect of this investigation is understanding how employees' participation in creating feedback information influences their performance initiative. By challenging the traditional one-way flow of feedback from managers to employees, this study explores a two-way participatory process that emphasises collaboration and shared ownership. This approach not only extends the role of employee participation in management control systems but also contributes to Otley's (1999) call for research on the essential information flows that support organisational learning and adaptive behaviour.

As part of its second and third objectives, this thesis explores how employees' performance initiative is influenced by their perceptions of role ambiguity (RA) and job-relevant information (JRI). This exploration is significant for three main reasons.

First, previous studies have primarily focused on these cognitive constructs from a management perspective, often neglecting the employee viewpoint, despite employees being central to achieving organisational performance (Otley, 1990; Crossan et al., 1999).

Second, understanding how information impacts employee behaviour is essential for fostering organisational learning, a critical factor in ensuring long-term success (Huber, 1991; Argote and Miron-Spektor, 2011).

Finally, involving employees in this process strengthens the connection between employees and management, promoting better learning and collaboration across the organisation.

The fourth objective of this thesis is to understand how organisational justice affects employees' performance initiative, especially after they take part in the performance evaluation process. Participation is often linked to perceptions of fairness, particularly in performance evaluations (e.g., Burney et al., 2009). This is important because how fair employees feel about the organisation can influence their performance (Ball et al., 1994; Colquitt et al., 2001).

As this thesis proposes a new way for employees to participate in management accounting, it is essential to explore how perceptions of justice impact their performance initiative. This could lead to new discussions about employees' roles in management control systems. This objective focuses on the motivational aspect of employees' participation, examining how perception of fairness influences their willingness to engage and perform.

The following subsections will briefly summarise the findings for each construct and their influence on employees' performance initiative. Additionally, they will highlight any noteworthy insights revealed during the interviews.

Counterfactual Thinking (CFT) and Employee Performance Initiative

This thesis's sub-section provides an analysis of performance measurement systems in the logistics and transportation sector, focusing on counterfactual thinking, organisational learning, and the interconnections between roles.

The study advances counterfactual thinking research by demonstrating how collaboratively developed task properties feedback (TPF) with line managers can enhance performance. Unlike previous studies that isolated counterfactual thinking as a cognitive exercise, this research incorporates counterfactual reflection into practical feedback mechanisms. By linking reflections like "should have done x" to specific, controllable actions, employees can refine their mental models and translate insights into actionable intentions ("will do x"), leading to improvements in task-level performance.

The findings also highlight the critical role of information flow in supporting both organisational and individual learning. This study identifies two key directions of information flow: from employees' mental models to the organisation, fostering organisational learning, and from the organisation to employees' mental models, promoting individual learning.

Phase 1 revealed significant barriers to information flow, such as limited access to training, restrictions during semi-annual performance evaluations, and challenges due to the rotation of line managers. These barriers hindered the organisation's ability to tap into employees' industry-specific knowledge, stalling both individual and organisational learning.

In contrast, phase 2 showed that co-developing task properties feedback could greatly enhance information flow. Tailored feedback allowed for more effective training, aligned with employees' skill levels, and improved performance evaluations, resulting in better knowledge transfer across organisational levels.

Furthermore, the study uncovered an important theme of role interconnections within performance evaluations. Participants observed that their performance targets often depended on the performance of other roles, such as accounts receivable (A/R) and accounts payable (A/P), or operational functions like billing.

These interdependencies were not adequately reflected in the performance measurement system, leading to unfair evaluations when external factors, such as billing delays, influenced individual outcomes. The research suggests that TPF can help address these issues by identifying role interconnections during the co-development of task properties information, ensuring that performance evaluations more accurately reflect the collaborative nature of roles within the organisation.

In conclusion, this thesis emphasises the need to integrate counterfactual thinking, improve information flow, and recognise role interconnections within performance measurement systems. By adopting co-developed task properties feedback, organisations can foster continuous learning, improve the practical application of counterfactual thinking, and ensure more accurate and equitable performance evaluations, ultimately optimising performance management in complex organisational environments.

Future research may investigate how role interconnections affect performance evaluations, especially in fast-paced industries like transport and logistics. One valuable direction could be exploring how task-oriented methods, such as TPF, can collaboratively identify and address these role linkages.

By bringing attention to these often-overlooked connections, this research could deepen organisational insights and refine performance evaluation processes. Furthermore, examining the role of organisational culture and leadership in shaping information flow and performance

development could provide additional strategies for improving these systems within organisations.

Role ambiguity (RA) and Employee Performance Initiative

One of the key insights from this study is the importance of performance feedback in reducing role ambiguity and enhancing employee performance initiatives. A central discovery of this thesis is that co-developed task properties feedback plays a crucial role in this process.

In phase 1, it was observed that existing performance feedback increased role ambiguity, particularly when performance targets were irrelevant or poorly defined. This issue was most prominent among new employees, who faced difficulty understanding their roles due to generic performance indicators. The lack of meaningful feedback, especially regarding soft targets (subjective), led to role confusion and hindered performance.

Phase 2 revealed that co-developed task properties feedback effectively addressed these challenges. By tailoring feedback to specific tasks and aligning it with clear performance expectations, this approach reduced role ambiguity and guided employees toward more effective task-related behaviours. It also improved communication between employees and line managers, addressing concerns with soft targets and ensuring a shared understanding of performance expectations. For new hires, task-oriented feedback clarified their roles, potentially improving initial performance.

The findings highlight the importance of co-developed task properties feedback in clarifying roles, reducing ambiguity, and supporting employee performance. Further research is needed to explore how organisational structure and accounting units influence the effectiveness of this feedback, as well as to investigate its long-term impact on employee development and organisational success.

Job-relevant Information (JRI) and Employee Performance Initiative

This thesis examines the significance of job-relevant information (JRI) in aiding decision-making and boosting employee performance within the framework of performance measurement systems. JRI helps reduce uncertainty before decision-making, thereby enhancing employees' ability to make informed task-related choices (Kren, 1992; Sprinkle, 2003). Performance measurement systems are essential sources of JRI (Burney & Widener, 2007), and this study investigates how these systems can be more effectively used to alleviate task uncertainty through performance feedback.

Phase 1 findings indicated that the organisation's performance measurement system was not being fully utilised to provide job-relevant information. Despite receiving feedback from their line managers, participants continued to seek additional information from internal and external sources, as the feedback failed to address their task-related uncertainties. This lack of sufficient feedback led participants to actively search for relevant task information, particularly when faced with high-uncertainty tasks.

In phase 2, the introduction of co-developed task properties feedback showed promise in overcoming these challenges by delivering more focused and detailed feedback on job-related tasks. This feedback enhanced participants' task knowledge and learning, particularly for tasks involving specialised accounting information. By co-developing task-specific information, the feedback enabled employees to better grasp their tasks and make more informed decisions. Additionally, it tackled two significant issues identified in phase 1: the possibility of information overload and difficulty tracking learning timeframes and processes. As the task information used in feedback is co-developed, employees can emphasise the tasks with higher uncertainty, helping to minimise information overload and support improved task performance.

Overall, the findings underline the critical role of job-relevant information in supporting informed decision-making and driving organisational learning. The research highlights the potential of co-developed task properties feedback to improve task-related information flow, reduce uncertainty, and enhance both individual and organisational performance.

Future studies could explore how to optimise the use of performance measurement systems to better facilitate learning and performance across diverse organisational settings.

Organisational Justice (OJ) and Employee Performance Initiative

This thesis builds on organisational justice theory to explore how perceptions of fairness influence participant behaviour, particularly in performance evaluation contexts. Phase 1 focused on participants' fairness perceptions in the existing performance measurement system, examining "voice" and "explanation" opportunities. Phase 2 introduced co-developed task-properties feedback to assess its impact on fairness perceptions. The study consistently applied the three constructs of justice—distributive, procedural, and interactional justice—as outlined in the literature to capture the concept of fairness within the organisation. These concepts provided a framework for analysing how different aspects of employees' fairness perceptions influence their performance initiative.

Distributive Justice

This thesis explored the perceived fairness of performance evaluations, particularly through the lens of distributive justice. In Phase 1, participants focused on how their daily tasks, rather than the organisation's SMART targets, shaped their perceptions of fairness. Key factors influencing these perceptions included measurability, attainability, and relevancy. While measurable targets linked to objective metrics were generally seen as fair, subjective evaluations (e.g., line manager judgments) led to negative perceptions of fairness. Differences in workloads due to varying task difficulties, especially across regions, also impacted fairness views. Additionally, the perceived irrelevance of targets to daily tasks or career goals further undermined fairness perceptions.

Phase 2 investigated the potential of co-developed task properties feedback to enhance fairness perceptions. The results suggested that involving employees in the feedback process, ensuring their voice was heard, and offering clear explanations for evaluation outcomes helped improve fairness perceptions. Participants felt that when feedback was documented and linked to task performance, it increased accountability, making performance evaluations more justified and fairer. This participatory approach was seen as an effective way to foster a

sense of fairness and promote better task performance, supporting the notion that feedback involving employees' input can lead to greater commitment and motivation.

Procedural Justice

In exploring the fairness of performance evaluations, this study examined how employees perceive justice in their workplace, focusing on the relationship between the process and its outcomes. From the outset, it became clear that participants' views of fairness were shaped by two key aspects: the accuracy of the performance evaluation process and the suppression of bias in that process. As participants shared their experiences, it emerged that when performance expectations were aligned with clear and reliable criteria, evaluations perceived fairer. However, when subjective measures were involved, especially for qualitative targets, participants felt their performance evaluations were more susceptible to bias.

The introduction of co-developed task properties feedback in phase 2 brought a shift in this dynamic. By allowing participants to play an active role in defining the criteria used for evaluating their performance, the process became more transparent, fostering a sense of fairness. This collaborative approach helped balance the influence of line managers and ensured greater accountability in the evaluation process. The result was a more accurate and unbiased system, which not only improved participants' perceptions of justice but also increased their motivation and acceptance of feedback. Through this journey, the study highlighted how refining the performance evaluation process could lead to stronger perceptions of fairness and better outcomes for both employees and organisations.

Interactional Justice

The final justice construct, interactional justice, is used in this thesis as an extension of procedural justice, focusing on the social aspect of the performance evaluation process. It emphasises how individuals perceive their treatment during the evaluation, including the quality of communication and feedback they receive. In phase 1, the study explored participants' views on the interpersonal fairness of the evaluation process. Participants generally considered feedback discussions a sign of respect, which can contribute positively to their sense of procedural justice. However, inconsistencies arose, as line-managers were

not required to provide feedback, leading to varied experiences and undermining fairness perceptions.

In phase 2, the focus shifted to the co-developed task-properties feedback, which aimed to offer more consistent and explanatory feedback. Participants interviewed in both phases continued to stress the importance of feedback discussions, particularly when evaluations involved subjective measures. For those whose evaluations were based purely on quantitative data, procedural injustice was perceived only when the evaluation failed to reflect the quantitative evidence accurately. The co-developed task-properties feedback emerged as a tool for enhancing accountability and ensuring that performance evaluations were based on objective and transparent data.

Overall, the need for consistent and explanatory feedback was shaped by the nature of the performance targets. Qualitative targets required more consistent feedback to maintain fairness, while quantitative targets were less affected by feedback consistency, as long as they accurately reflected the data.

Summary

In summary, this thesis explored organisational justice through three key constructs: distributive justice, procedural justice, and interactional justice. As the literature and results suggest, these constructs are deeply interconnected—one's perception of fairness in one area often influences their perception of others. The introduction of co-developed task properties had a noticeable impact on these constructs. By focusing on task performance and providing spaces for participants to voice their opinions and receive explanations from line-managers, distributive justice was enhanced. When it came to procedural justice, the emphasis on accurate and unbiased performance measurement improved perceptions of fairness in the evaluation process. Interactional justice, which is considered a part of procedural justice, benefitted from consistent and explanatory feedback, reinforcing the fairness of the overall process.

Looking ahead, future research could explore whether improving one construct leads to significant improvements in the others, or if the effects are more complex. Additionally, since

this thesis had a time-bound scope, examining the long-term effects of co-developing task properties could offer valuable insights. Such research could help organisations foster a more just and fair work environment, ultimately contributing to better employee well-being and enhanced organisational performance.

Limitations

Theoretical Foundation

Imagine this research journey as one rooted in exploring how people experience, interpret, and co-create their realities, especially within the workplace. This guiding question laid the foundation for the thesis, setting the stage for each insight and discovery. The central proposal grew from this inquiry, focused on understanding how individuals shape their social reality through their roles, interactions, and shared experiences in organisational environments.

In this study, the researcher didn't maintain a distant, neutral stance but rather engaged directly, allowing his perspective to shape the research's direction. Every decision and conclusion was influenced by the specific setting of the study, and the researcher's own view of reality, informed by interactions and interpretations, became an essential part of the process. This approach transformed the research from mere observation to active engagement, where the responses of participants were influenced by the researcher's presence and participation. For instance, the insights shared by participants often reflected the collaborative nature of the process, illustrating how research is a dynamic exchange that embraces the complexity of human experience.

This interactive approach fostered a richer, deeper understanding, revealing that research isn't just about collecting data at a distance but about engaging with the nuances of lived experience. It acknowledged that social reality is layered and co-constructed, adding depth and meaning to the findings through the researcher's role within the story.

The conclusions drawn from this empirical study provide a detailed look at one specific performance measurement process. They aren't intended to represent all designs of

performance measurement processes but serve as a method for exploring other performance systems. The insights specifically pertain to how co-developed feedback supports employees' performance initiative within this context, and further research would be needed to apply these conclusions to other feedback scenarios or organisational processes.

Practical Restrictions

This research journey came with its fair share of challenges. From the outset, it was clear that the chosen organisation had strict rules to protect the anonymity and confidentiality of its employees. This created obstacles in gaining access to participants. Many employees declined to take part in the study, explaining that they wanted to keep their performance evaluations and feedback private. Even when the researcher offered a written agreement promising confidentiality, it did not change their decisions. For those who agreed to participate, their anonymity was guaranteed. However, some of these participants later became unavailable, as they left the organisation due to financial difficulties caused by the Covid pandemic.

When access to participants was finally secured, another challenge arose: internal organisation documents. The organisation either denied access outright or imposed strict conditions on how the documents could be analysed. Despite these limitations, the insights shared by the participants were considered sufficient to address the central proposal of the research.

The organisation also restricted the use of internal documents. None of the materials could be reproduced in the research publications, which meant the findings had to be presented entirely through the researcher's narrative. This limitation left no primary data available for others to examine or verify.

Another consideration was the research simulator co-developed with participants. While it became evident that the organisation did not have a fully integrated system for incorporating task properties feedback into its performance evaluations, the simulator still provided valuable insights. The study's theoretical framework suggested that having a complete

system was not necessary to understand the impact of co-developed feedback on employee initiative. The simulator itself served as a useful tool for exploring this dynamic.

In reflecting on the study's contributions, it is important to consider these limitations. The conclusions were shaped by the constraints of the research area and the theoretical foundation of the central proposal. Despite these challenges, the research provides meaningful insights and lays the groundwork for future exploration in this field.

Contributions

The contribution of this thesis lies in both reinforcing existing evidence and providing new insights into the co-development of task properties feedback within the performance measurement process. The central proposal presents a framework for interpreting this evidence, asserting that the value of performance feedback is amplified when employees actively collaborate with their line managers in designing the information they need. This collaborative approach has been shown to enhance employees' performance initiative.

Given the interdisciplinary nature of this research, grounded in management control practice, the thesis offers valuable contributions to both scholars and practitioners interested in various interconnected topics, including performance measurement systems, performance feedback, management control systems, employee participation, performance initiative, role ambiguity (RA), job-relevant information (JRI), and organisational justice. Special attention is given to its relevance for accounting research, particularly in relation to the role of accountants, as the thesis originates from this field and highlights areas where further exploration is needed.

Empirical Contribution

The thesis offers new empirical insights into how employees' participatory engagement influences their performance initiative, thereby extending the role of employee involvement within management control systems. These findings contribute to academic dialogue across both management accounting and organisational psychology literature in several key ways.

First, by examining employees' co-development of performance feedback, the thesis challenges conventional assumptions regarding the unidirectional flow of information from management to employees. Instead, it demonstrates how employee engagement in feedback construction fosters a more reciprocal and collaborative process.

Second, this research advances beyond traditional management-level studies to analyse participation at the employee level, particularly concerning role ambiguity (RA), job-relevant information (JRI), and counterfactual cognition. This perspective is seldom examined within management accounting literature, making this a novel contribution to understanding how employees interpret and respond to role-specific information.

Lastly, the thesis advances discussions on the interconnectedness of employee participation, organisational justice, and initiative within the context of performance measurement systems. This broader exploration within management control systems reveals new relationships among these factors, highlighting their combined impact on employee motivation and engagement. By doing so, the thesis lays a foundation for reevaluating the role of participation in promoting both organisational fairness and proactive employee behaviour within complex organisational structures.

Theoretical Contribution

The functional theory of counterfactual thinking posits that positive behavioural change necessitates an effective informational mechanism. This suggests that merely contemplating "what might have been" is insufficient; rather, a structured flow of information is required to guide individuals toward alternative actions.

This thesis investigates how employee participation in Task Properties Feedback (TPF) can function as a synchronised, dynamic source of information. By incorporating employees in the development and refinement of TPF, a systematic framework is provided for learning from prior experiences, facilitating the modification of mental models. Given that counterfactual thinking may often lead to biased or erroneous conclusions, this informational mechanism is critical. Employee involvement in generating or revising feedback thus serves as a real-time tool for learning that aids in aligning expectations with reality.

In this context, the theory is extended by highlighting the significance of a structured informational process in the continuous refinement of mental models. The results indicate that employee engagement in feedback processes does more than simply facilitate the review of past actions; it provides a structured approach to improving future performance through accurate and shared insights.

Contributions to Management Accounting and Practice

To Management Accounting

This thesis contributes to management accounting research by exploring the specific information flows—comprising both feedback and feed-forward mechanisms—necessary to facilitate organisational learning and behavioural adaptation based on past experiences. Through an empirical examination and a comprehensive review of management accounting and psychology literature, this study presents evidence that employees derive benefits from engaging in the co-development of task-properties feedback. These findings complement management accounting research showing how performance measurement systems influence behaviour through feedback, learning, and information use (Henri, 2006; Burney & Widener, 2007; Hall, 2010).

This contribution can be understood in relation to management accounting research that conceptualises feedback as both formal and informal organisational practice (Pitkänen & Lukka, 2011). Rather than treating feedback solely as a cybernetic loop connecting performance measurement and evaluation, the findings of this thesis show how feedback is constructed through interaction between formal performance measurement systems and informal dialogue between employees and line managers. Co-developed task properties feedback illustrates how feedback within PMS can be mobilised through participatory processes that combine system-based measures with interpersonal communication, thereby extending accounting research on feedback beyond mechanistic control perspectives.

This thesis also extends management accounting research on employee participation in management control systems. While prior accounting studies have primarily examined participation in budgeting or target-setting processes, the findings presented here highlight participation in the construction of feedback itself. Co-developed task-properties feedback

represents a form of enabling feedback design (Jordan & Messner, 2012), where feedback is used not only to monitor performance but also to support understanding of tasks and learning. In this sense, participation in feedback construction complements existing research on enabling controls by demonstrating how feedback practices can be collaboratively shaped to support initiative and performance development.

Beyond participation and feedback design, the findings also have implications for how accountability is enacted within performance measurement systems. Traditional performance evaluation processes often emphasise individualising accountability, where performance is assessed primarily through formal indicators and hierarchical evaluation (Roberts, 1991). The participatory co-development of task-properties feedback introduces a more dialogical and socialising form of accountability, where understanding performance becomes a shared process between employees and line managers. Through discussion, documentation, and joint interpretation of task information, accountability becomes relational rather than purely instrumental. This perspective contributes to accounting debates on relational versus instrumental accountability by showing how feedback design can reshape accountability relationships within management control systems.

Together, these contributions position co-developed task-properties feedback as a new area of inquiry within management accounting research. The thesis provides a conceptual foundation for examining feedback construction as part of management control design and highlights the value of explanatory interpretive methodology for studying behavioural and relational dimensions of performance measurement systems.

To Line Managers

For the accountants involved in the research, especially the line managers, the thesis offers valuable insight into how employees perceive performance feedback and how their involvement in the feedback process can influence their initiative. It shows how employees' participation in co-developing their feedback can positively impact their behaviour and initiative. The research also presents a method that line managers can use to reflect on their own experiences and reasoning behind the feedback they give, helping them better understand and improve their approach to performance management.

To Other Practitioners Interested in Performance Measurement Design

For other practitioners, especially those involved in designing performance measurement processes, this thesis offers evidence on the benefits of co-developing task properties feedback with employees. To help evaluate this evidence and employees' experiences with their job tasks, the central proposal presents an explanatory interpretive approach. This perspective encourages practitioners to focus on understanding how employees view and approach performance evaluation and feedback, highlighting the importance of considering their viewpoints in the process.

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