Goal Consensus, Subordinates' Performance, and Supervisor's Resource Allocation Preference

Abstract

This study used field data from a realty company in Taiwan to investigate the relationship between goal consensus (involving both regional managers and branch managers) and regional manager resource allocation preference among branch offices in the region. Additionally, it examined whether a branch office's performance affected the goal consensus-resource allocation preference relation. The study results show that the higher the goal consensus between regional and branch managers, more likely a branch office was to receive resources; however, this goal consensus-resource allocation preference relation existed only in branch offices that missed sales targets. Ultimately, our findings suggest that a supervisor's decision to distribute resources to a subordinate is affected by both their preferable goal and self-interest.

Keywords: *supervisor–subordinate goal consensus, resource allocation preference, subordinate's performance*

1. INTRODUCTION

This study investigated whether goal consensus between a supervisor and their subordinates influences the former's resource allocation to branch offices. We also examined whether supervisor allocation behavior is affected by the degree to which subordinates successfully perform tasks on which the supervisor's own success depends. To complete this study, we collected field-based archival and survey data from a major realty company in Taiwan and examined the association between the degree of consensus in prioritizing goals and the supervisor's resource allocation preferences for advertising expenditures and senior salespersons. We further sought to uncover whether this association was related to subordinates achieving or missing sales targets.

The case company in this study has four major goals—expanding market share and improving financial performance, customer-focused quality management, team management, and implementation of the company's ideology—which act as critical elements of business operation and differentiation and thereby help the company gain a competitive advantage. In this study, we operationalized the supervisor–subordinate goal consensus by measuring how these goals were prioritized by regional and branch managers. The hierarchical structure of this company contains a chain of command that flows from a regional manager to several branch managers in their region. Therefore, we viewed one region[1] as a group, surveyed regional and branch managers about their perceived priorities among these goals, and calculated the goal-consensus score between each regional manager–branch manager pair in a group. Consistent with our estimated projection, we found that a higher goal consensus between branch and regional manager priorities makes the regional manager more likely to allocate advertising expenditure and senior salespersons to the branch manager's office.

[1] This case company has a presence in 33 regions, and the classification of different regions is based on the company's catalogue.

However, this association becomes statistically insignificant when we interact goal consensus with whether the branch office hits a sales target. To further deepen our understanding of how subordinate performance influences the relationship between goal consensus and supervisor resource allocation, we split branch offices into four equal groups according to relative regional sales performance; we found that the relation presented in the second and the third quartiles, but not in the lower and upper quartiles. These results show that supervisors are more likely to distribute resources to subordinates interested in fulfilling the supervisor's goal and who thus are more likely to improve their performance.

This study contributes to existing literature in two ways. First, prior studies address how consensus on company goals affects subordinate job satisfaction, turnover, and performance and, moreover, the company's ability to realize its goal (Jensen and Meckling 1976; Lambert 2001; Ouchi 1980; Ho, Wu and Wu 2014). Meanwhile, studies also evidence that managers can take different actions to increase goal consensus among members within their organizations (Abernethy and Brownell 1997; Merchant 1985; Abernethy, Dekker and Schulz 2015). These studies have significantly clarified the impact of goal consensus on individuals and how to increase goal consensus among subunits. However, existing literature still fails to focus adequately on how supervisors react to supervisor–subordinate goal consensus and little attention has been devoted to how goal consensus interacts with supervisor interests—that is, research fails to answer: does goal consensus bias supervisor resource allocation? This study therefore contributes to the literature by showing that supervisor goals and interests indeed bias resource allocation. The deeper point here is that because supervisors have the authority to allocate organizational resources, their preferences and interests can affect resource allocation; organizations must account for this behavior and implement control mechanisms (e.g., employee participation) to decrease bias.

Along these lines, we also extend research on distributive justice by showing that a supervisor's resource allocation decision may not be based on equity principle but instead on

factors (e.g., self-preference or self-interest) unrelated to distributive justice. Some studies (e.g., Pfeffer and Langton 1988; Kabanoff 1991; Törnblom and Vermunt 2007) show that organizational decision makers do not always apply equity rules to their allocation decisions because decision makers are typically motivated by what they perceive to be important and may make decisions in ways consistent with their own interests. Our results are consistent with the above notion that decision makers do not always follow the distributive justice rule, but instead allow their goal preferences and self-interests to influence resource allocation. Since the allocation of resources is determined by the supervisor's preferential goals and personal interests, subordinate welfare will ultimately be affected by supervisor actions and decisions.

The rest of this article is organized as follows. Section 2 describes the research site. Section 3 reviews the related literature and presents the hypotheses. Section 4 demonstrates the empirical model, and Section 5 details the results. Section 6 concludes the study and addresses the limitations.

2. RESEARCH SITE

Founded in 1987, the target research site was the largest realty company in Taiwan. At the time of the study, the company had 474 branch offices in Taiwan and was expanding its overseas operations in China and Japan.

As the largest realty company in Taiwan, the research site is focused on maintaining competitive advantage, repute, profits, and a leadership position in Taiwan. To implement its vision and strategy, the company asked top executives, middle-level managers, and representatives of frontline sales personnel to list goals and a vision that can help the company maintain its advantages and leadership position in the realty industry.

Based on the survey results and discussions, the company selected the following four goals as its business directions and strategies: 1) expanding market share and improving

financial performance, 2) customer-focused quality management, 3) team management, and 4) implementation of ideology. Detailed descriptions of these four goals are presented in Table 1.

--- Insert Table 1 here---

The company's top management communicates these four goals to regional managers and allows them to determine their priories in response to changes in the market. Regional managers communicate their goal priorities to branch managers at monthly meetings; however, branch managers adjust their priorities according to the different circumstances surrounding their branch offices.

Under the hierarchical structure of this target company, a regional manager has the authority to decide the task on which employees should focus, what actions must be taken, and how resources must be delegated among the branch offices within the region. However, a regional manager depends on branch managers in their region to perform and complete their individual jobs. More specifically, a regional manager needs the support of branch managers to collect local information, such as the market situation and customer reactions, and to assist other branch offices in the same region to maximize regional performance. Meanwhile, a regional manager's performance bonuses[2] partially depend on the overall performance of branch offices within their region.

Since organizational resources do not meet the resource needs of all branch managers,

[2] The performance bonus of a regional manager consists of 1) summed sales revenue of branch offices, 2) number of customer complaints, 3) growth of market share, 4) number of promotions and demotions of salespersons and branch managers, 5) turnover rate of salespersons and branch managers, and 6) number of records of unethical behavior on business deals within the region. Each indicator has its own weight to calculate the regional manager's performance bonus; however, due to confidentiality, we could not obtain detailed information.

there is a chance that resource distribution is skewed in favor of some branch managers. During the interview, some branch managers stated that the disparity in goal priorities created tension between them and the regional manager. Largely, this is attributable to the fact that both regional and branch managers disagree on how to execute a task or delegate resources and responsibilities between branch offices in a region. Branch managers with different preferred goals often experience a lack of support and appreciation from their regional managers (e.g., regional managers are less likely to agree to the suggested plan and support for additional resources), when a regional manager insists on moving toward a specific business strategy or goal. Therefore, some branch managers feel that resources are restricted, and they experience difficulties in attaining their preferred goals.

3. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

3.1 GOAL CONSENSUS AND RESOURCE ALLOCATION PREFERENCE

Goal consensus can be characterized as an extended connotation of goal congruence, which is defined as the agreement among organizational members on the importance of the goals the organization should pursue (Vancouver, Millsap, and Peters 1994; Haas and Algera 2002). When viewing organizations as coalitions of participants, a goal consensus allows some members in the organization to become a coalition (Friedkin and Simpson 1985; Pfeffer and Salancik 1977). Since organizations only have limited resources, it is impossible to meet the needs of coalitions with varying interests. The associated problem will, therefore, be whose interests can be served and who can control and initiate organizational action.

In a hierarchical organization, a supervisor is considered to have the ability to produce desired outcomes and accomplish the subunits' goals by controlling the limited resources on which subunits depend. As indicated by Salancik and Pfeffer (1974), when organizational resources are limited and critical to organizational subunits, power becomes a significant factor in explaining resource allocation decisions. In other words, power influences resource

allocation decisions and processes that are directed toward an organization's subunits when resources are limited and also function as a vital input for accomplishing goals (Pfeffer and Salancik 2003; Pfeffer 1981).

To fulfill the supervisor's preferred goals, a supervisor may use authority to allocate resources, mainly to control other subunits to achieve goals that conform with their own goals. Therefore, it is expected that a supervisor is more likely to grant resources to subordinates with coherent goals. As prior studies show, supervisors are motivated by what they perceive to be important and are more likely to prioritize their own goals and act in pursuit of their preferred goals making allocation decisions. (Williams 2014; Cremer 2003).

Based on this work, we assume that goal consensus between regional and branch managers influences the former's resource allocation decisions. Thus, we propose our first hypothesis (H1):

H1: The stronger the goal consensus, that is, the smaller the discrepancies in prioritizing goals between the regional and branch managers, the more likely will be the resources that branch manager's office receives and vice versa.

3.2 THE ROLE OF SUBORDINATE PERFORMANCE IN THE RELATIONSHIP BETWEEN GOAL CONSENSUS AND RESOURCE ALLOCATION PREFERENCE

Besides investigating the association between supervisor–subordinate goal consensus and a supervisor's resource allocation preference, we examined how subordinate performance affects the relationship between goal consensus and supervisor resource allocation preference in the context of task dependency.

Prior studies have found that task dependency influences supervisor behavior. For example, Ilgen, Mitchell and Fredrickson (1981) found that supervisors who are dependent upon their subordinates are more helpful and less punitive when dealing with poor performers.

Other studies (Larson 1984; Harackiewicz and Larson 1986) show that supervisors are more motivated to give their subordinates performance feedback and are more motivated to stimulate high subordinate performance when they are highly dependent upon them.

Since task dependence has shown to influence supervisor behaviors, it seems likely that task dependence will also influence supervisor resource allocation preference. A supervisor whose own tasks and performance depend on their subordinates' abilities to complete their own tasks and therefore their level of performance should be more likely to be motivated to distribute subordinates more resources to encourage desired job outcomes. Notably, this scenario is especially likely when subordinates show poor performance because a supervisor's own performance suffers under poor subordinate performance, which therefore negatively impacts the supervisor's personal interests (e.g., financial loss or reputation of incompetence)

The regional managers in our case company relied on branch managers to complete their own tasks and individual performance counts on the overall performance of branch offices within their region; it is therefore reasonable to expect that regional managers will respond helpfully to branch managers who fail to perform as required. Given that regional managers would like to ensure a preferable goal can be achieved at the same time the branch offices within their region can achieve the required performance, regional managers are more likely to help branch managers who share their goals but fail to perform as required.

Based on the above reasoning, it could be argued that regional managers are more likely to help branch managers showing a higher level of goal consensus but fail to achieve the required performance than they are to help branch managers who achieve the required performance. This helpful attitude is likely to affect regional managers' preferences when distributing resources to each branch office. This leads to our second hypothesis (H2):

H2: Given branch managers who show high level of goal consensus with the regional

manager, the branch managers whose offices achieve the required performance are less likely to receive resources than branch managers whose offices fail to achieve the required performance.

4. METHOD

4.1 DATA COLLECTION

To examine our hypotheses, we collected data from multiple sources at the research (case study) site. First, we interviewed the top management team to understand the goal-setting process and the underlying implications and specifications of their goals. Subsequently, based on the interview information, we developed the survey questionnaires. The top management team reviewed the questionnaire drafts, randomly selected regional and branch managers, and pilot-testing them.

Later, we conducted a field survey with the regional and branch managers of the case company. The case company helped us distribute and collect a paper and pencil survey to 33 regional and 431 branch managers. In total, we received responses from 28 regional and 272 branch managers (with 84% and 63% response rates from regional and branch managers, respectively[3]). Of these, only 2% of regional managers and 16% branch managers were female, and the average tenure for regional managers and branch managers in their position was 8 years and 6 years, respectively. Notably, 70% of regional managers and 68% of branch managers held a bachelor's degree. The surveys were conducted between January 1, 2017 and June 30, 2017. The questions in the regional/branch manager surveys are included in Appendix A. Finally, we collected the case company's monthly financial information and data related to branch offices from January 1, 2017 to June 30, 2017 and matched them with

[3] We conducted a non-response analysis to compare respondents and non-respondents. Our results show that the two groups did not differ significantly in terms of tenure or gender ($p>0.10$). Therefore, the results indicate that non-response bias was not a serious concern in our study.

the survey data.

4.2 MEASUREMENT OF INDEPENDENT VARIABLES

4.2.1 Goal consensus between regional and branch managers (CONSENSUS)

We operationalized goal consensus between both regional and branch managers by measuring how consistently a regional and branch manager pair prioritized the four goals. This method of measuring goal consensus helped us to identify the level of agreement between a regional and branch manager regarding the importance of goals the case company must pursue.

We used the analytic hierarchy process (AHP) approach developed by Saaty (2000) and developed a ratio scale from the pairwise comparison to obtain the priorities of both regional and branch managers. The AHP approach has several advantages. First, AHP addresses the direction of difference between two profiles and provides the objective mathematics to process the subjective and personal preferences of an individual, thereby overcoming the major limitations of Euclidean distance. Additionally, the normalized relative weight provides more information than the ranking. Second, AHP works by developing priorities for alternatives, and the process of prioritization solves the problem of dealing with each subject's distinct significance to the values of different alternatives. Finally, AHP allows inconsistency in judgments and provides users directions for improving the judgment and understanding of the problem (Saaty 2000).

We asked both regional and branch managers to compare all the criteria pairwise, as each level (six comparisons in all) uses a scale ranging from 9 to 1 to 9. The judgment of pairwise comparison helped us to set up a matrix. After constructing the judgment matrices, we computed the Consistency Ratio (CR)[4] from the matrices to examine response consistency

[4] To investigate method bias in this study, we used the AHP approach to construct the variable of interest

and ensure that the validity in respondent conceptualizations of each goal increased with the lines of goal description (e.g., Goal A is more important than Goal B should be invariant as lines of detail are added to the description of goals). Following Saaty (1977), the threshold value of CR must be CR≤0.10, but a ratio less than 0.20 is considered tolerable. The results show that the average CR at a significant level of 0.05 for the group of regional managers and branch managers is 0.17 and 0.19, respectively. These results show a moderate degree of consistency of judgment among the respondents, indicating that the validity of our survey data and the AHP process was not of significant concern.

After examining consistency, we followed prior studies (Dong, Zhang, Hong and Xu 2010; Wu and Xu 2012; Chiclana, Mata, Martinez, Herrera-Viedma and Alonso 2008) and applied an AHP consensus model to measure the consensus index between a regional manager and a branch manager. This number thus represents the consensus degree of the judgment matrix between a regional and branch manager and served as our *CONSENSUS* score for a regional and branch manager pair.

4.2.2 Branch office performance (ACHIEVE)

To measure a branch office's performance, we used an indicator variable *ACHIEVE*, which was equal to one if the branch office achieved the targeted sales revenue in the *t*th month of the year and zero otherwise.

4.3 MEASUREMENT OF DEPENDENT VARIABLES

4.3.1 Regional manager resource allocation preference (*ADV and PERSONNEL*)

CONSENSUS. This approach differs from that of other studies (e.g., Bedford 2015; Guenther and Heinicke 2019) that use rating scales to construct their main variables and apply statistical methods such as Harman's single factor score or three-phase confirmatory factor analysis to examine common method bias of their survey data (e.g., Podsakoff, MacKenzie and Podsakoff 2003, 2012). The AHP approach uses the Consistency Ratio (CR) to measure the data validity.

In the case company, a regional manager had the authority to decide the amount of advertising expenditure distributed to a branch office and to (re)deploy and adjust the salespersons in a branch office.

To measure regional manager allocation preference and investigate whether a branch office was more likely to receive more resources than other branch offices within the same region, we applied a dummy variable, which equaled one if a branch office's advertising expenditures exceeded the average advertising expenditure of branch offices within the same region. To proxy the adjustment of salespersons, we also adopted a dummy variable if a branch office's average length of service period of salespersons exceeded the average length of the service period of the salespersons of all branch offices within the same region. A prior study indicated that employee service period length reflects an upward-sloping tenure-productivity profile (Abraham and Medoff 1985). Therefore, branch offices with longer sales service period lengths may have more capable senior salespersons.

4.4 REGRESSION MODELS FOR HYPOTHESIS 1

We performed logistic regression models to examine whether the level of goal consensus between regional and branch managers was related a branch receiving more advertising expenditures and senior sales personnel.

Several studies have shown that personal characteristics, environmental factors, and organizational structure determine the decision-making process (Dean and Sharfman 1996; Wally and Baum 1994; Paolillo and Vitell 2002; Sayegh, Anthony and Perrewe 2004). Following prior studies, we included regional manager age (*REGIONAL_AGE*), gender (*REGIONAL_GENDER*), educational level (*REGIONAL_EDU*), and tenure (*REGIONAL_TENURE*) to control for the influence of these characteristics on resource allocation decisions. In addition, we included branch office size (*OFFICE_SIZE)*, number of houses the branch office sold in the previous month (*PRIOR_DEAL*), number of houses

managed by the branch office (*NUM_ENTRUST*), average property price per deal sold by the branch office *(PRICE*), and age (*OFFICE_AGE*), as our regression control variables to control for the impact of office characteristics and prior financial performance on regional manager resource allocation decisions. Finally, we included the number of branch offices in the same region (*NUM_BRANCH*) and property transactions made in the administrative district (*CYCLE*) to control for the influence of environment on regional manager resource allocation decisions. Detailed variable definitions are presented in Table 2. Our models for H1 take the following forms:

$$PERSONNEL_{it} = \gamma_1 CONSENSUS + \gamma_2 REGIONAL\_AGE_{it} + \gamma_3 REGIONAL\_GENDER_{it} + \gamma_4 REGIONAL\_EDU_{it} + \gamma_5 REGIONAL\_TENURE_{it} + \gamma_6 OFFICE\_SIZE_{it} + \gamma_7 PRIOR\_DEAL_{it} + \gamma_8 NUM\_ENTRUST_{it} + \gamma_9 PRICE_{it} + \gamma_{10} OFFICE\_AGE_{it} + \gamma_{11} NUM\_BRANCH_{it} + \gamma_{12} CYCLE_{it} + \mu \quad (1)$$

$$ADV_{it} = \tau_1 CONSENSUS + \tau_2 REGIONAL\_AGE_{it} + \tau_3 REGIONAL\_GENDER_{it} + \tau_4 REGIONAL\_EDU_{it} + \tau_5 REGIONAL\_TENURE_{it} + \tau_6 OFFICE\_SIZE_{it} + \tau_7 PRIOR\_DEAL_{it} + \tau_8 NUM\_ENTRUST_{it} + \tau_9 PRICE_{it} + \tau_{10} OFFICE\_AGE_{it} + \tau_{11} NUM\_BRANCH_{it} + \tau_{12} CYCLE_{it} + \varphi \quad (2)$$

--- Insert Table 2 about here---

4.5 REGRESSION MODELS FOR HYPOTHESIS 2

To examine our second hypothesis, we again performed logistic regression models using regional manager resource allocation preferences (*AVD* and *SENIOR*) as the dependent variables and the level of goal consensus (*CONSENSUS*) as the independent variable. The product term of *CONSENSUS* and *ACHIEVE* was used to test the impact of subordinate

performance on the association between goal consensus (*CONSENSUS*) and regional manager resource allocation preference (*AVD* and *PERSONNEL*). Detailed variable definitions are presented in Table 2. Our models for H2 take the following forms:

$$PERSONNEL_{it} = \theta_1 CONSENSUS + \theta_2 ACHIEVE_{it} + \theta_3 CONSENSUS \times ACHIEVE_{it} + \theta_4 REGIONAL\_AGE_{it} + \theta_5 REGIONAL\_GENDER_{it} + \theta_6 REGIONAL\_EDU_{it} + \theta_7 REGIONAL\_TENURE_{it} + \theta_8 OFFICE\_SIZE_{it} + \theta_9 PRIOR\_DEAL_{it} + \theta_{10} NUM\_ENTRUST_{it} + \theta_{11} PRICE + \theta_{12} OFFICE\_AGE_{it} + \theta_{13} NUM\_BRANCH_{it} + \theta_{14} CYCLE_{it} + \delta \quad (3)$$

$$ADV_{it} = \lambda_1 CONSENSUS + \lambda_2 ACHIEVE_{it} + \lambda_3 CONSENSUS \times ACHIEVE_{it} + \lambda_4 REGIONAL\_AGE_{it} + \lambda_4 REGIONAL\_GENDER_{it} + \lambda_5 REGIONAL\_EDU_{it} + \lambda_6 REGIONAL\_TENURE_{it} + \lambda_7 OFFICE\_SIZE_{it} + \lambda_8 PRIOR\_DEAL_{it} + \lambda_9 NUM\_ENTRUST_{it} + \lambda_{10} PRICE_{it} + \lambda_{11} OFFICE\_AGE_{it} + \lambda_{12} NUM\_BRANCH_{it} + \lambda_{13} CYCLE_{it} + \xi \quad (4)$$

5. EMPIRICAL ANALYSIS

5.1 DESCRIPTIVE STATISTICS AND PEARSON CORRELATIONS

The descriptive statistics of variables are presented in Table 3. The average proportion of branch offices that were allocated advertising expenditures exceeding the average advertising expenditure of branch offices within the same region was 51.00%, and the proportion with an average senior salesperson service period length exceeding all branch offices' average service period length was 31.00 percent. The range of *CONSENSUS* was from 0.01 to 1.00, with 1.00 indicating complete consensus with the company's goals.

--- Insert Table 3 here---

Table 4 shows the Pearson correlations among the variables. We found that *CONSENSUS* correlated positively with *PERSONNEL* and *ADV*, indicating that higher consensus is associated with a high chance of receiving above-average advertising expenditures and capable senior salespersons. Moreover, we also found that consensus was negatively related to regional manager age and education level, implying that older regional managers with higher educational attainment are less likely to create a "goal congruence" relationship with subordinates. Although some variables are significantly correlated, the average correlation coefficients were small. As a result, the Pearson correlation matrix shows that multicollinearity[5] is not an issue in multivariate regressions.

--- Insert Table 4 here---

5.2 RELATIONSHIP BETWEEN GOAL CONSENSUS AND THE CHANCE TO RECEIVE MORE RESOURCES

The association between goal consensus and the chance to receive more resource is shown in Table 5. More specifically, goal consensus (*CONSENSUS)* was positive and statistically significant in relation to *PERSONNEL* ($z= 3.67$, $p<0.01$) and *ADV* ($z=2.26$, $p<0.05$). These findings indicate that, after controlling for known factors that influence regional manager decisions regarding the distribution of capable senior salespersons and advertising expenditures, a positive relationship exists between goal consensus and probability of receiving more resources, in terms of capable senior salespersons and advertising expenditures. This finding supports H1, that is, the higher the goal consensus

[5] The variance inflation factors for all the variables are below 10 (Kutner, Nachtsheim and Neter 2004).

between the regional manager and a branch's manager, the more likely the regional manager will distribute more senior salespersons with better abilities and advertising expenditures to the branch office and vice versa.

---Insert Table 5 here---

5.3 THE EFFECT OF BRANCH OFFICE PERFORMANCE ON THE RELATIONSHIP BETWEEN GOAL CONSENSUS AND THE CHANCE TO RECEIVE MORE RESOURCES

Table 6 shows the effect of branch performance on the association between goal consensus and the chance to receive more resources. From Table 6 we can observe that the product term of goal consensus and branch office performance is statistically insignificant in relation to the chance to receive more resources. This finding do not support our second hypothesis and points to a buffering effect of subordinate performance on the goal consensus–resource allocation preference relation.

---Insert Table 6 here---

5.4 ADDITIONAL TEST

The rank of branch office performance and its impact on the relationship between goal consensus and regional manager resource allocation preference

In our main empirical examine, we used the branch office's hitting of the required sales target as our independent variable and investigated its impact on the association between goal consensus and regional manager resource allocation preference. However, a dichotomous variable may provide limit information about how branch performance influences the relationship between goal consensus and regional manager resource allocation preference. As

a result, we divided branch offices into four groups according to relative performance[6]. Since regional manager individual performance partially depends on the overall performance of branch offices within their region, relative performance helps us to better understand how a branch office's performance relative to the general performance of branch offices in its region affects the relationship between goal consensus and regional manager resource allocation preference.

We show the empirical results in Table 7. Table 7 reveals a positive and significant relationship between goal consensus and the chance of receiving more resource only in the second and third quartile, not in the first and last quartile. These results may suggest that with branch managers who show a higher level of goal consensus, a regional manager is more likely to distribute resources to middle performers who may have a higher probability of improving their performance. These findings may echo our assertion that both goal preference and self-interest drive a regional manager's resource allocation decisions.

--- Insert Table 10 here---

6. CONCLUSIONS AND LIMITATIONS

In this study, we examined whether goal consensus between regional and branch managers affected regional manager resource allocation preference for branch offices. Further, we investigated whether the performance of a branch office affected the relation between goal consensus and regional manager resource allocation preference. The empirical results indicate that the higher the level of goal consensus between regional and branch office managers, the higher the advertising expenditures and number of capable senior salespersons that will be

[6] We used the average monthly sales revenue of branch offices in the same region as the benchmark and calculated the difference between a branch office's monthly sales revenue and the benchmark, which was then deflated by the benchmark as our measurement of relative branch office performance.

distributed to the branch office, after controlling for the impact of branch office characteristics. However, we didn't find that given branch managers who showed a higher level of goal consensus, a regional manager is more likely to distribute resources to the branch manager who fails to hit the sales targets. When we divided branch offices according to their relative sales performance, we found that the goal consensus-resource allocation relation existed only for middle performers.

Like most other studies, this research has several limitations. First, as in other studies, we encountered the problem of generalization. Given the unique organizational context of the case company, our results may not be generalizable to other companies. For instance, an organization with has sufficient resources to meet all the resource need of its subordinates or members have no task dependence may not encounter the same situation as the case company discussed here. This is attributed to the fact that when facing scare resources, both goal consensus and task dependence may encourage unequal resource allocation.

Second, because of data unavailability, we could not directly measure whether regional managers inequitably allocated resources among branch offices in the region. Instead, we used dummy variables to determine whether a branch office's advertising expenditure and length of service of salespersons exceeded the average level of all branch offices within the same region to represent inequity, which may not fairly and accurately represent the inequity caused by a regional manager's resource allocation decision. Third, irrespective of whether resource inequity exists among branch offices, it is not possible to assuredly assert that inequity is intentional and affected by goal consensus. Finally, in this study, we assumed that regional managers may use resource allocation to achieve their preferred goals; nevertheless, we were unable to directly investigate whether a regional manager's preferred goal could be simply achieved by the resource distribution strategy.

Despite these potential limitations, the study results provide empirical evidence of the consequences of supervisor–subordinate goal consensus because of the dual influence of the

supervisor's preference and self-interest. A salient feature of this study is that it highlights the fact that resource allocation decisions among subordinates depend on supervisor preference and self-interest. Inevitably, distributing resources among members within an organization is a common activity in every organization. However, how to distribute resources fairly and avoid idiosyncratic preferences and self-interest in decisions related to resources distribution is a crucial issue that every organization needs to understand. To resolve unfair resource allocation problem, organizations must not only implement different control mechanisms to monitor distributing processes but also encourage an atmosphere of open discussion and debate that welcomes bottom-up participation to facilitate mutual understanding and optimize distribution decisions for organizational aims. Finally, managers must realize the importance of accountability, focus on organizational consequences rather than personal benefits or preferences, and take the interests of other stakeholders into account (Anderson and Brown 2010).

In summary, this study found that goal consensus between regional and branch managers in the case company was primarily associated with its regional managers' decisions to distribute resources inequitably among the branch offices. Regional managers' personal interests (e.g., to maximize the overall performance of branch offices in their region) played another important role that influenced the goal consensus-resource allocation preference relation.

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Appendix A. Survey questionnaire for regional manager/branch manager

Dear colleague:

This survey aims to understand the extent to which our regional and branch managers understand and prioritize the company's goals. The collected data will only be used for academic purposes and your supervisor will NOT have access to individual answers. Please respond according to your own judgment and observation.

1. Please specify your gender. ☐ Male ☐ Female
2. Please specify your age group. ☐ 20–24 ☐ 25–29 ☐ 30–34 ☐ 35–39 ☐ 40 or above
3. Please specify your education level. ☐ High school ☐ College/ University ☐ Master's degree or above
4. How many years of experience do you have as a regional head/branch manager?

Appendix A. Survey questionnaire for Regional manager/Branch manager (contd.)

Based on your comprehension of the company's goals (1. Expanding market share and improving financial performance, 2. Customer-focused quality management, 3. Team (branch office) management, and 4. Implementation of company's ideology), please determine which goal is more important and how much they weigh in importance on a scale of 1 to 9 ("9" represents most important and "1" represent equally important). Please ensure consistency of your priority.

	9:1	8:1	7:1	6:1	5:1	4:1	3:1	2:1	1:1	1:2	1:3	1:4	1:5	1:6	1:7	1:8	1:9	
Expanding market share and improving financial performance																		Customer-focused quality management
Expanding market share and improving financial performance																		Team management
Expanding market share and improving financial performance																		Implementation of company ideology
Customer-focused quality management																		Team management
Customer-focused quality management																		Implementation of company ideology

Team management																	Implementation of company ideology

Table 1

Four Goals

Goals	Statement
Expanding market share and improving financial performance	(1) Rate of growth in number of house deals in each branch office (2) Rate of growth in number of entrusted houses in each branch office (3) Growth rate of sales revenue in each branch office (4) Break-even point of each branch office (5) Cost control in each branch office
Customer-focused quality management	(1) Rate of customer satisfaction in each branch office (2) Protection of customers' rights (3) Management of buildings and maintenance of customer relationships
Team management	(1) Talent management in each branch office (2) Turnover rate in each branch office (3) Ambience of coordination, team member support, and communication between team members in each branch office
Implementation of company ideology	(1) Identifies the company ideology (2) Understands the importance of ethics or does what is right

Table 2

Variable Definitions

Variable	Definition
PERSONNEL	An indicator variable, it equals to 1 if the length of service of salespersons of the branch office exceeds the average length of service of salespersons of all branch offices within the same region.
ADV	An indicator variable, it equals to 1 if the advertising expenditure of the branch office exceeds the average advertising expenditure of all branch offices within the same region.
CONSENSUS	Consensus index calculated from the AHP pairwise comparison between a regional manager and branch manager.
REGIONAL_AGE	A categorical variable, it equals to 1 if a regional manager's age is in group 1 (20–24 years) and equals to 5 if a regional manager's age is in group 5 (40 years and above).
REGIONAL_GENDER	An indicator variable, it equals to 1 if a regional manager is male, otherwise 0.
REGIONAL_EDU	An indicator variable, it equals to 1 if a regional manager has a college degree or above, otherwise 0.
REGIONAL_TENURE	Length of the regional manager's service period in years in region *i* in the *t*th month of the year.
OFFICE_SIZE	Total number of employees of branch office *i* in the *tth* month of the year.
PRIOR_DEAL	Total number of houses sold by branch office *i* in *t-1*th month of the year.
NUM_ENTRUST	Total number of houses managed by branch office *i* in the *t*th month of the year.
PRICE	Average property price per deal sold by branch office *i* in the *t*th month of the year.
OFFICE_AGE	Number of years of existence of branch office *i*.
NUM_BRANCH	Total number of branch offices in the same region as branch office *i* in the *t*th month of the year.
CYCLE	Number of monthly residential house transactions made in an administrative district classified by the Taiwan Construction and Planning Agency's Interior Ministry.

Table 3

Descriptive Statistics

(n=1,625)

Variables	Mean	Std. Dev.	Min	Max
PERSONNEL	0.51	0.50	0.00	1.00
ADV	0.31	0.46	0.00	1.00
CONSENSUS	0.74	0.23	0.00	1.00
REGIONAL_AGE	3.78	0.48	2.00	4.00
REGIONAL_GENDER	0.99	0.12	0.00	1.00
REGIONAL_EDU	0.73	0.44	0.00	1.00
REGIONAL_TENURE	8.21	5.46	1.00	26.00
OFFICE_SIZE	7.97	1.11	5.00	12.50
PRIOR_DEAL	2.48	1.60	0.00	10.50
NUM_ENTRUST	4.38	2.70	0.00	18.50
PRICE	12,300,000.00	10,000,000.00	1,060,000.00	125,000,000.00
OFFICE_AGE	11.26	7.45	0.49	28.76
NUM_BRANCH	10.77	5.06	1.00	25.00
CYCLE	2773.35	1193.03	390.00	5614.00

Table 4

Pearson Correlation

(n=1,625)

	1.	**2.**	**3.**	**4.**	**5.**	**6.**	**7.**	**8.**	**9.**	**10.**	**11.**	**12.**	**13.**
1. PERSONNEL	1.00												
2. ADV	-0.05**	1.00											
3. CONSENSUS	0.09***	0.08***	1.00										
4. REGIONAL_GENDER	0.01	-0.08***	-0.09***	1.00									
5. REGIONAL_EDU	-0.01	0.02	-0.01	0.20***	1.00								
6. REGIONAL_TENURE	-0.02	-0.04	-0.14***	-0.04	-0.07***	1.00							
7. OFFICE_SIZE	0.01	-0.02	-0.01	0.50***	0.16***	0.08***	1.00						
8. PRIOR_DEAL	0.01	0.07***	0.02	0.10***	-0.04	0.19***	0.01	1.00					
9. NUM_ENTRUST	-0.01	0.11***	0.02	0.10***	0.07***	0.12***	0.08***	0.24***	1.00				
10. PRICE	-0.02	0.06**	-0.01	0.01	0.01	0.06**	0.01	0.27***	0.19***	1.00			
11. OFFICE_AGE	0.01	0.06**	0.04	-0.06**	-0.13***	-0.13***	0.08***	-0.05*	-0.12***	-0.08***	1.00		
12. NUM_ENTRUST	0.13***	0.02	0.01	0.01	-0.09***	-0.18***	0.04*	0.06**	-0.04	0.01	0.12***	1.00	
13. NUM_BRANCH	-0.01	-0.02	-0.03	-0.11***	-0.25***	-0.25***	0.17***	-0.19***	-0.15***	-0.10***	0.26***	0.15***	-0.17***
14. CYCLE	-0.05**	0.05**	0.15***	-0.10***	0.09***	-0.37***	-0.09***	-0.10***	0.12***	0.03	-0.03	0.03	1.00

*** $p < 0.01$; ** $p < 0.05$; *$p < 0.10$ (two-tailed test)

See Table 2 for variable definitions.

Table 5

Relationship between goal consensus and the chance of receiving more resources

	H1	
Dependent Variable	$PERSONNEL_{it}$	ADV_{it}
CONSENSUS	0.83***	0.57**
	(z=3.67)	(z=2.26)
$REGIONAL\_AGE_{it}$	-0.07	-0.49***
	(z=-0.55)	(z=-3.54)
$REGIONAL\_GENDER_{it}$	-0.15	0.50
	(z=-0.32)	(z=0.96)
$REGIONAL\_EDU_{it}$	-0.19	-0.29*
	(z=-1.32)	(z=-1.91)
$REGIONAL\_TENURE_{it}$	0.01	0.01
	(z=0.83)	(z=0.92)
$OFFICE\_SIZE_{it}$	-0.03	0.10*
	(z=-0.69)	(z=1.88)
$PRIOR\_DEAL_{it}$	0.01	0.14***
	(z=0.25)	(z=3.86)
$NUM\_ENTRUST_{it}$	-0.01	0.03
	(z=-0.64)	(z=1.32)
$PRICE_{it}$	0.01	0.01***
	(z=-0.35)	(z=2.89)
$OFFICE\_AGE_{it}$	0.04***	0.01
	(z=5.07)	(z=0.14)
NUM_BRANCH_{it}	-0.02**	-0.02
	(z=-1.98)	(z=-1.13)
$CYCLE_{it}$	0.01***	-0.01
	(z=-3.40)	(z=-0.08)
MODEL	Logistic	Logistic
Pseudo R-Squared	0.02	0.03
Observations	1,625	1,625

*** p < 0.01; ** p < 0.05; *p < 0.10 (two-tailed test)

See Table 2 for variable definitions.

Table 6

The effect of a branch office's performance on the relationship between goal consensus and the chance of receiving more resources

	H2	
Dependent Variable	$PERSONNEL_{it}$	ADV_{it}
CONSENSUS	0.94***	0.45*
	(z=3.33)	(z=1.80)
$ACHIEVE_{it}$	0.23	0.10
	(z=0.51)	(z=0.78)
$CONSENSUS \times ACHIEVE_{it}$	-0.14	0.12
	(z=-0.24)	(z=0.20)
$REGIONAL\_AGE_{it}$	-0.08	-0.61***
	(z=-0.58)	(z=-4.08)
$REGIONAL\_GENDER_{it}$	0.15	0.44
	(z=0.28)	(z=0.77)
$REGIONAL\_EDU_{it}$	-0.20	-0.48***
	(z=-1.23)	(z=-2.86)
$REGIONAL\_TENURE_{it}$	0.01	0.02
	(z=0.32)	(z=1.34)
$OFFICE\_SIZE_{it}$	-0.03	0.11*
	(z=-0.52)	(z=1.87)
$PRIOR\_DEAL_{it}$	0.01	0.13***
	(z=0.07)	(z-3.43)
$NUM\_ENTRUST_{it}$	-0.01	0.02
	(z=-0.26)	(z=0.79)
$PRICE_{it}$	0.01	0.01
	(z=0.27)	(z=1.16)
$OFFICE\_AGE_{it}$	0.04***	0.01
	(z-4.51)	(z=-0.34)
NUM_BRANCH_{it}	-0.02*	-0.02
	(z—1.74)	(z=-1.04)
$CYCLE_{it}$	-0.01***	0.01
	(z=-2.82)	(z=-0.66)
MODEL	Logistic	Logistic
Pseudo R-Squared	0.02	0.03
Observations	1,625	1,625

*** p < 0.01; ** p < 0.05; *p < 0.10 (two-tailed test)

See Table 2 for variable definitions

Table 7

The rank of branch office's performance and its impact on the relationship between goal consensus and regional manager resource allocation preference

	First Quartile (lowest 25%)		Second Quartile		Third Quartile		Forth Quartile (highest 25%)	
Dependent Variable	$PERSONNEL_{it}$	ADV_{it}	$PERSONNEL_{it}$	ADV_{it}	$PERSONNEL_{it}$	ADV_{it}	$PERSONNEL_{it}$	ADV_{it}
CONSENSUS	0.70	0.56	1.04**	0.86*	1.07**	0.93*	0.52	0.08
	(z=1.46)	(z=0.95)	(z=2.25)	(z=1.70)	(z=2.35)	(z=1.87)	(z=1.10)	(z=0.16)
$REGIONAL\_AGE_{it}$	-0.16	-0.10	-0.13	-0.08	-0.19	-0.65**	0.09	-1.08***
	(z=-0.54)	(z=-0.30)	(z=-0.51)	(z=-0.28)	(z=-0.76)	(z=-2.50)	(z=0.33)	(z=-3.74)
$REGIONAL\_GENDER_{it}$	-0.89	0.20	0.90	-0.12	0.21	0.52	-0.03	0.95
	(z=-1.10)	(z=0.17)	(z=0.75)	(z=-0.10)	(z=0.19)	(z=0.43)	(z=-0.04)	(z=1.03)
$REGIONAL\_EDU_{it}$	-0.73**	-0.29	0.40	-0.32	0.01	-0.18	-0.26	-0.48
	(z=-2.54)	(z=-0.89)	(z=1.33)	(z=-1.02)	(z=0.04)	(z=-0.55)	(z=-0.88)	(z=-1.59)
$REGIONAL\_TENURE_{it}$	0.03	0.01	0.02	-0.01	0.02	0.02	-0.03	0.04*
	(z=1.19)	(z=-0.08)	(z=0.84)	(z=-0.48)	(z=0.76)	(z=0.82)	(z=-1.21)	(z=1.76)
$OFFICE\_SIZE_{it}$	0.04	0.01	-0.07	0.12	-0.05	0.13	-0.09	0.03
	(z=0.43)	(z=0.08)	(z=-0.66)	(z=1.09)	(z=-0.47)	(z=1.17)	(z=-0.83)	(z=0.27)
$PRIOR\_DEAL_{it}$	0.01	0.02	0.06	0.17**	-0.06	0.06	0.11	0.26***
	(z=0.18)	(z=0.19)	(z=0.94)	(z=2.37)	(z=-0.86)	(z=0.87)	(z=1.51)	(z=3.45)
$NUM\_ENTRUST_{it}$	-0.01	0.13***	0.01	-0.05	-0.07*	-0.01	0.03	0.03
	(z=-0.24)	(z=2.84)	(z=0.28)	(z=-1.20)	(z=-1.72)	(z=1.17)	(z=0.71)	(z=0.73)

$PRICE_{it}$	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	(z=-0.56)	(z=0.23)	(z=1.10)	(z=0.86)	(z=0.82)	(z=0.34)	(z=-1.22)	(z=0.79)
$OFFICE\_AGE_{it}$	0.02	-0.01	0.06***	0.01	0.03**	0.01	0.04**	0.01
	(z=1.28)	(z=-0.66)	(z=4.01)	(z=-0.28)	(z=2.41)	(z=0.97)	(z=2.43)	(z=0.08)
NUM_BRANCH_{it}	-0.07***	-0.03	0.01	0.01	-0.03	-0.02	0.01	-0.02
	(z=-2.68)	(z=-0.96)	(z=0.21)	(z=0.43)	(z=-1.21)	(z=-0.72)	(z=0.09)	(z=-0.66)
$CYCLE_{it}$	-0.01***	0.01	0.01	0.01	0.01	0.01	0.01	0.01
	(z=-4.42)	(z=1.57)	(z=0.05)	(z=-1.21)	(z=-0.98)	(z=0.25)	(z=-1.26)	(z=-0.80)
MODEL	Logistic	Logistic	Logistic	Logistic	Logistic	Logistic	Logistic	Logistic
Pseudo R-Squared	0.05	0.05	0.05	0.03	0.04	0.03	0.03	0.05
Observations	407	407	406	406	406	406	406	406

*** p < 0.01; ** p < 0.05; *p < 0.10 (two-tailed test)

See Table 2 for variable definitions.