Accounting, Organizations and Society xxx (xxxx) xxx

Contents lists available at ScienceDirect

Accounting, Organizations and Society

journal homepage: www.elsevier.com/locate/aos

Socialization mechanisms and goal congruence

Frances A. Kennedy, Sally K. Widener*

Clemson University, USA

ARTICLE INFO

Article history:
Received 19 July 2016
Received in revised form
10 January 2019
Accepted 16 January 2019
Available online xxx

Keywords:
Management control
Socialization mechanisms
Goal congruence
Survey
Structural equation model

ABSTRACT

Firms use performance measures linked to incentives and the evaluation process to motivate and direct employees' efforts towards goal congruence. In a research setting where the noise in the performance measures hinders such formal linkage, we examine how firms can achieve goal congruence. We first examine the direct relation between employees' perceptions of the extent to which socialization mechanisms (i.e., perceptions of the extent to which employees perceive that top management communicates core values, supervisors engage in career development mentoring, and employees themselves engage in peer mentoring) are related to goal congruence. Second, we examine the process by which the relationship works. We posit that the relationship works because socialization mechanisms communicate information, which reduces employees' uncertainty thus increasing their perceptions of career security, and in turn, employees become more attached to the firm and better impound its goals. Using survey data from 354 employees to estimate a structural equation model, our results fail to support a direct association between socialization mechanisms and goal congruence. However, we find an indirect association through employees' perceptions of career security. We further find that the indirect effect only holds for non-union employees. Interestingly, for union employees, goal congruence is directly facilitated by employees' perceptions of the extent to which top managers communicate core values.

1. Introduction

Management control systems (MCS) are mechanisms intended to communicate organizational objectives and motivate employee effort so that the firm can achieve both goal and behavioral congruence. Goal congruence is "agreement by all members of a group on a common set of objectives" while behavioral congruence is "alignment of individual behavior with the best interests of the organization regardless of the individual's own goals" (Lanen, Anderson, & Maher, 2011, p. 446). Thus, congruence is a two-step process that occurs when employees first understand the importance of goals, and, second, engage in actions to achieve those important goals. The performance measurement system (PMS) is one well-studied control mechanism firms use to achieve congruence. Literature holds that a PMS is a communication tool that translates the firm's strategy to employees thus clarifying the firm's objectives and their importance (e.g., Kaplan & Norton, 2001). Furthermore, Feltham and Xie (1994) demonstrate that a first-best solution occurs when a PMS facilitates complete congruence and does not contain noise.

Merchant (1982, 43) states that the "focus on measurement and feedback, however, can be seriously misleading. In many circumstances, a control system built around measurement and feedback is not feasible" (see also, e.g., Chenhall, 2007; Platts & Sobotka, 2010). These circumstances include settings where knowledge of the transformation process is unclear and where outcome measures are noisy (Ouchi, 1977; Abernethy & Brownell, 1997). Accordingly, as organizations move from the traditional processes of the industrial revolution to greater reliance on teams, knowledge, and skills, contracting on performance measures (i.e., results controls) has become more problematic (Towry, 2003; Rock & Jones 2015). Ouchi (1980) suggests that instead firms can use social mechanisms to achieve congruence, (i.e., clan control). However, there is little evidence on how specific social mechanisms work in organizations that cannot (or do not) contract on performance measures and whether social mechanisms are effective for different types of employees. The purpose of this study, therefore, is to examine whether three socialization mechanisms can influence goal congruence between employees and upper-level management when PMS are not contractible, and more importantly, how the mechanisms work; that is, what is the psychological mechanism

* Corresponding author.
E-mail addresses: fkenned@clemson.edu (F.A. Kennedy), kwidene@clemson.edu (S.K. Widener).

https://doi.org/10.1016/j.aos.2019.01.004
0361-3682/

through which socialization mechanisms work. This is important to study since achieving goal congruence is the key first step in aligning employee efforts, is imperative to firm success, and is a primary objective of the MCS.

Organizational socialization is "a process by which an individual comes to appreciate the values, abilities, expected behaviors, and social knowledge essential for assuming an organizational role and for participating as an organizational member" (Louis, 1980, pp. 229–230). Cousins, Lawson, and Squire (2008) contend that firms use socialization mechanisms to inform employees about the culture and social norms, ways of doing things, and important values and skills. Socialization mechanisms are the specific formal and informal tactics (or variables) that firms use as instruments to socialize their employees (Saks & Ashforth, 1997). They can be categorized as either institutionalized or individualized (Kraimer, 1997), for example, firms may expose all employees to social outings thus institutionalizing the socialization experience and/or rely on mentoring programs to individualize it (Kraimer, 1997).

We use a survey in a field setting since it provides a rich context with external validity. It also allows us to control for factors that may vary across firms and confound our results, while isolating the factors that are the focus of this study. Due to the manner in which the firm reported their performance measurement information, the department (that we study) decoupled the measures from the employees' evaluation and incentive processes.[1] Accordingly, it is an ideal site to examine how an organization achieves goal congruence when it believes that the PMS is not contractible.

We operationalize the three socialization mechanisms as follows: *Beliefs* system is the extent to which the firm articulates and communicates core values, which draws on Simons' (1995, 276) definition of core values as "the beliefs that define basic principles, purpose and direction." S*uperior mentoring* is the superior's provision of challenging assignments to selected subordinates allowing opportunities for career development (Ragins & McFarlin, 1990). *Peer mentoring* is the mentoring employees provide one another through positive, supportive encouragement and acknowledgement. We examine these three specific mechanisms because prior literature has established them as three different and unique socialization mechanisms (e.g., Kraimer, 1997). Doing so allows us to analyze socialization mechanisms that (i) span three levels of interactions that employees have within an organization (i.e., with top management, superiors, and peers) and (ii) comprise both the receiving and giving of information.[2] Thus, to sum up, in this study, we focus on the extent to which employees perceive (i) top management communicates organizational beliefs, (ii) superiors provide them with career development-related mentoring, and (iii) they mentor other employees.

Socialization mechanisms allow employees to be active participants in the information exchange process and function as both receivers (beliefs and superior mentoring) and senders of information (peer mentoring). Through participation in the information exchange process employees gain knowledge on what the organization values, which facilitates goal congruence. Moreover, the positive information exchange reduces anxiety and uncertainty, thus, enhancing employees' feelings of security about their career path (Saks & Ashforth, 1997), making the understanding of organizational goals more salient (see development in next section). Accordingly, we examine whether the socialization mechanisms are related to goal congruence both directly and indirectly through their perceptions of career security.

We use survey data from 354 employees to estimate a structural equation model. The results show that beliefs, superior mentoring, and peer mentoring are positively correlated with one another. Interestingly, we find that they are only associated with goal congruence through employees' perceptions of a secure career path. In robustness tests, we incorporate the respondent's division and extent of national pride as predictors of all variables in the model[3] to mitigate the possibility of self-selection bias. We also control for various individual characteristics. We find that our statistical inferences are unchanged.

Our setting provides an opportunity to examine how goal congruence is achieved by means other than reliance on the PMS, which is important since contracting on PMS is not always feasible (e.g., Merchant, 1982; Ouchi, 1980; Towry, 2003). We make four primary contributions to existing literature. First, Whetten (1989) holds that the building blocks needed to make a significant theoretical contribution are establishing the 'what,' 'how,' and 'why'. We suggest (and find) that three socialization mechanisms increase goal congruence because they enhance employees' perceptions of career security thus reducing their uncertainty and making organizational goals more salient. Although there is research examining the relation between MCS and behavioral congruence, we lack understanding of the mechanisms by which firms achieve goal congruence. Yet employees must have goal congruence prior to the realization of behavioral congruence. Abernethy and Stoelwinder (1991, 107) contend that on one hand literature assumes that employees behave rationally and in the best interest of the organization, yet on the other hand it views employees as "capable of pursuing goals which are not congruent." This study, therefore, contributes to the debate on how organizational objectives can be achieved (Abernethy & Stoelwinder, 1991; Akroyd & Maguire, 2011). It allows us to draw insights and implications related to the strategic objectives that are at the heart of the firm, as opposed to the achievement of short-term performance goals that may be gamed, manipulated, or otherwise not necessarily synonymous with congruence of strategic objectives (Farrell, Kadous, & Towry, 2008).[4] In contrast to Abernethy and Stoelwinder (1991) who empirically examine the extent to which healthcare professionals place importance on overall generic goals (e.g., cost control, reputation) relevant to a hospital setting, we provide direct empirical evidence on how clan control (Ouchi, 1980) is achieved. That is, we show how and why specific socialization mechanisms are important to achieving congruence between employees and their superior regarding the importance of organizational goals, thus, making a theoretical contribution to the management control literature.

Second, although Ouchi (1980, 132) states, "Thus, industrial organizations can, in some instances, rely to a great extent on socialization as the principal mechanism of mediation or control," empirical evidence on the specific mechanisms is limited. Examining three socialization mechanisms allows us to establish the

[1] We describe the setting and use of performance measures more fully in section 3.

[2] In addition, based on our observations of the firm these three tactics are critical controls, yet have enough variation within the firm to examine empirically. Moreover, they are prominently featured in contemporary business practice.

[3] Division is intended to capture economic factors (e.g., turmoil and uncertainty) that may reflect the extent of misinformation employees receive. It also captures any differences in control usage that varies across divisions. We control for national pride to ensure that our results are not a function of self-selection on behalf of the workforce.

[4] That is, while research may assume that increase short-term performance is a proxy for congruence, this result may arise at the expense of the firm's long-term strategic objectives. Thus, it is important to determine whether employees first understand the importance of the organizational goals so they can engage in appropriately aligned actions and behaviors. Accordingly, consistent with Lanen et al. (2011), we define goal congruence as the extent to which employees and their top manager agree on the importance of the firm's goals.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

importance of each mechanism in the presence of other mechanisms. These results contribute to a growing stream of experimental and survey-based management accounting literature that individually examines specific socialization techniques including monitoring (e.g., Hannan, McPhee, Newman, & Tafkov, 2013; Towry, 2003), beliefs (e.g., Widener, 2007), mentoring (e.g., Viator, 2001; Hall and Smith, 2009), and mutual monitoring (e.g., Sedatole, Swaney, & Woods, 2014; Widener, Shackell, & Demers, 2008). In doing so, we extend our knowledge on how firms can achieve goal congruence without relying on contractible performance measures. This is increasingly important as firms compete with flexibility, teams, creativity, and creation of knowledge; contexts that do not lend themselves to control through performance measurement (Heinicke, Guenther, & Widener, 2016). By early 2015, over 30 companies and 1.5 million employees had their evaluation decoupled from a quantitative metric (Rock and Jones, 2015).[5] Rock and Jones (2015) cite the need for faster employee development cycles and increased communication and mentoring from superiors due to the changes in the nature of work, including increased teamwork, as an underlying reason for this trend. As Towry (2003, 1070) states, "from a measurement and contracting perspective, the teamwork setting presents a challenge. When accurate and useful measures of individual contributions are not available, incentive contracting may not be useful for encouraging employees to direct their efforts toward management's goals." This suggests that other types of controls are useful in these environments.

Third, Whetten (1989, 492) states, "Unfortunately, few theorists explicitly focus on the contextual limits of their propositions." An important contextual element of our research setting is the use of union and non-union employees. We develop a research question and empirically examine whether union membership moderates our results. We find that our results hold only for the subset of non-union employees, and show that to achieve goal congruence in union employees, communication of organizational beliefs directly facilitates goal congruence. This is an important and surprising finding since some argue that union membership positively affects goal congruence due to feelings of reciprocity with the organization while others argue that union members may have more loyalty to their unions than to understanding and impounding the organization's goals (Gittell, 2000). Indeed, Ouchi (1980) suggests that unions may be examples of clans in their own right due to the shared loyalty and objectives of the union perhaps at the expense of organizational objectives. While Ittner and Larcker (2002) conclude that union membership can affect the design of MCS, Gittell (2000) is unable to establish an empirical association between the extent of union participation and shared organizational goals. This conflicting research suggests that using mechanisms to achieve organizational goal congruence may be a wasted effort when dealing with union members. However, our results show that communication of organizational beliefs is an important mechanism in achieving goal congruence since it works for both union and non-union employees, while the effectiveness of superior and peer mentoring is limited to non-union employees.

Finally, this study examines contemporary phenomena. Complexity and fast-paced decision-making may call for different control practices. For example, IBM revitalized its global mentoring program in 2005 in order to increase the flow of relevant and valuable knowledge (Galagan, 2010). Zappos is known for its focus on the living of its core values through emphasis of its beliefs system and its peer-mentoring program (Heathfield, 2014). Our study explains the use of these observed practices by developing theoretical predictions of their relationship with perceptions of career security and, in turn, goal congruence. In doing so, we extend the related literature streams. For example, Hall and Smith (2009) examine turnover intentions in public accounting firms and conclude that not all types of mentoring are beneficial in reducing turnover intentions. They find that career development mentoring by superiors actually increases turnover intentions because it increases employees' sense of empowerment. In turn, this makes employees believe that they have enhanced mobility and value in the labor market. Our results complement Hall and Smith (2009) and add depth to what we know about mentoring by showing that career development mentoring by superiors also has positive effects in the workplace.

We organize this study as follows. The next section provides an overview of goal congruence and organizational socialization, following which we develop the hypotheses and a research question. We then discuss the research setting, survey development, and measurement. The analyses and results are presented next. Finally, we discuss limitations and conclude.

2. Background information and theoretical development

2.1. Background literature

Flamholtz et al. (1985, 154) states that the purpose of MCS is to "influence the probability that people will behave in ways which lead to the attainment of organizational objectives." Abernethy and Stoelwinder (1991) point out that to achieve this purpose, accounting literature often assumes that employees are unified in their understanding of organizational objectives, yet this is paradoxical since the literature, on the other hand, assumes that employees are more interested in their own objectives making it more difficult for firms to encourage them to identify with the organization's objectives. Hence, the purpose of this study is to examine how socialization mechanisms can influence goal congruence, which influences employee attitudes (Vancouver, Millsap, & Peters, 1994) and is a precursor to employees' behaving as the organization intends (e.g, Abernethy & Stoelwinder, 1991; Kaplan & Norton, 2001). While goal congruence facilitates performance, there is limited empirical evidence that provides specific insights on the relation between management control and goal congruence. In a case study, Akroyd and Maguire (2011) illuminate how goal congruence is achieved in the product development process. They conclude that goal congruence presents itself at the checkpoints, or gates, in the development process. Executive and functional managers are concerned with the achievement and progress being made towards shared goals and, thus, they implement controls in the form of project rankings, review of key financial metrics, and analysis of market share. Abernethy and Stoelwinder (1991) examine how it is important for professionals, such as health care workers, to focus on organizational objectives. They empirically show that the importance professionals place on these objectives is related to performance. Our study adds to this debate by examining goal congruence specific to a firm instead of generic industry-wide objectives. We also shed light on how the socialization mechanisms are related to goal congruence when the noise in performance measures prevents them from being contractible, as opposed to Abernethy and Stoelwinder (1991) who examine the use of budgetary control.

Socialization theory has been a part of the accounting literature since at least the 1960s. An important area of research is how auditors become socialized to a public accounting firm environment. An early study examined the conflict auditors faced by working in an environment characterized as both professional and

[5] Rock & Jones (2015) state that 50 companies had joined this trend by September 2015 and around 70% of companies were considering changes needed to make their evaluation strategies more flexible, relevant, and informative.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

bureaucratic (Sorensen, 1967). Later studies investigated the integration of ethics as well as the pursuit of a successful career (e.g., Ponemon, 1992). Integrating socialization theory into control is prominent in Ouchi's (1979, 1980) organization theory suggesting that the choice of behavior, outcome, and clan control is a function of measurability and knowledge of the transformation process. Merchant (1982) suggests that peer control is a type of socialization mechanism that can be effective as a means to creating shared goals. As people work in teams or other groups, peers mentor one another to ensure that all members of the group are working towards shared common goals (Das & Teng, 2001). Rockness and Shields (1984) find that the importance of controls depends on the knowledge of the transformation process. In research and development settings, Govindarajan and Fisher (1990) show that SBU effectiveness is a function of the fit between its strategy and control (behavior or output) while Abernethy and Brownell (1997, 233) find that personnel controls are associated with organizational effectiveness when "task characteristics are not well suited to the use of accounting based controls." These studies provide some support for Ouchi's (1979, 1980) organizational theory, including the need for clan control which results from the use of socialization mechanisms that instill and create a shared value system (Merchant, 1982; Ouchi, 1979). However, Chenhall (2007, 167) concludes that only "a limited number of studies" have examined "broader elements of control, such as clan and informal controls, or integrative mechanisms" and calls for more research in these areas. More recently, researchers have begun to investigate the role that socialization mechanisms have in achieving performance, either as a supplement to or as a substitute for, the use of a PMS. Sobotka and Platts (2010), for example, suggest that socialization mechanisms can act as a substitute since incentive effects of performance measures can be dysfunctional (e.g., lead to gaming). Through a case study, they identify the importance that communicating company values have in achieving a sense of control in the absence of performance measurement-based incentives. In sum, while there seems to be some evidence that clan control is important when the context is not well suited for the use of behavior or output controls, there is little evidence on how clan control (i.e., shared beliefs or goal congruence) is achieved.

As one illustration of organizational socialization, consider academia. The standards for tenure fluctuate and are notoriously ill defined. Junior faculty members desiring tenure may experience considerable dissatisfaction and discomfort with their work environment. They may receive information from the dean of the business school who communicates the core values of the school, whether it is to be a top research institution with scholars publishing in premier journals or a teacher – scholar model where the emphasis is on excellence in the classroom coupled with quality peer-reviewed publications. Junior faculty may interact with senior (tenured) professors who act as mentors and provide opportunities to collaborate. In doing so, junior faculty learn about the research quality and publication outlets preferred by the university. Finally, junior faculty may interact with one another by providing feedback, support, and encouragement on teaching styles or research ideas. By being a sender of information and recognizing good performance in peers, junior faculty more deeply internalize and understand organizational values. As illustrated, the beliefs system, superior mentoring, and peer mentoring are important socialization mechanisms that span multiple social interactions in the workplace—top management, superiors, and peers (Saks & Ashforth, 1997).[6]

2.2. Development of hypotheses and research question

Drawing on the discussion of goal congruence and socialization theory, we first develop hypotheses of the direct relationships between each of beliefs control, superior mentoring, and peer mentoring, with goal congruence. We then draw on uncertainty reduction theory to develop the indirect hypotheses that each of the socialization mechanisms affects goal congruence through employees' perceptions of the security of their career. Finally, we pose a research question asking whether the developed theoretical model depends on employee type. The theoretical model is illustrated in Fig. 1.

2.2.1. Socialization mechanisms and goal congruence

Socialization is a learning process that provides employees with knowledge about such things as organizational goals, power structures, and task knowledge (Saks & Ashforth, 1997). It allows newcomers and existing employees who work in dynamic organizations to grasp what the organization is all about (Major, Kozlowski, Chao, & Gardner, 1995). Indeed Van Maanen and Schein (1979, 211) state, "In fact, if one takes seriously the notion that learning itself is a continuous and life-long process, the entire organizational career of an individual can be characterized as a socialization process." In particular, learning about the firm's strategic objectives and goals is critical to understanding one's role in the organization (Van Maanen & Schein, 1979). For example, Van Maanen and Schein (1979, 227) suggest that socialization mechanisms help employees learn how to react in certain situations; "engineers may be out to 'cut costs' or 'beat the competition' in some organizations when designing a particular product or piece of machinery; " thus, it is important to know which objective is most important to the organization. Mignerey, Rubin, and Gorden (1995) find that socialization mechanisms are positively related to the employee's ability to understand what his/her supervisor values. Chatman (1991) empirically finds that more vigorous socialization (e.g., mentoring) positively influences the degree of fit between the organization's values and the members. In sum, socialization is an on-going process throughout the work life of employees whereby they continue to learn what the organization wants, values, expects, and desires, through an exchange of information.

In the following sub-sections, we discuss each of the socialization mechanisms (beliefs system, superior mentoring, and peer mentoring) in turn. In all cases, we are interested in the employees' perceptions of the socialization mechanisms since these perceptions will influence the extent to which they impound and understand the importance of the organization's goals.

2.2.2. Beliefs system

> *Our "bottom line" ultimately depends on our ability to satisfy all of our stakeholders. Our goal is to balance the needs and desires of our customers, Team Members, shareholders, suppliers, communities and the environment while creating value for all. By growing the collective pie, we create larger slices for all of our stakeholders.* ***Our core values reflect this sense of collective fate and are the soul of our company*** (Whole Foods, 2012, bold added).

[6] Variance exists in the effects of mentoring since mentors may provide uninformative or ill-advised assignments and advice. At worst, mentors may 'guide' mentees down a 'wrong path'. However, on average, literature holds that mentoring has positive outcomes including enhancing one's career opportunities and compensation, better socialization to the firm, and more satisfaction with one's job (e.g., Ragins & Cotton, 1999). Interesting, though, Hall & Smith (2009) find that mentoring focused on career development can increase employees' turnover intentions as employees become more empowered and believe their value is higher in the labor market.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

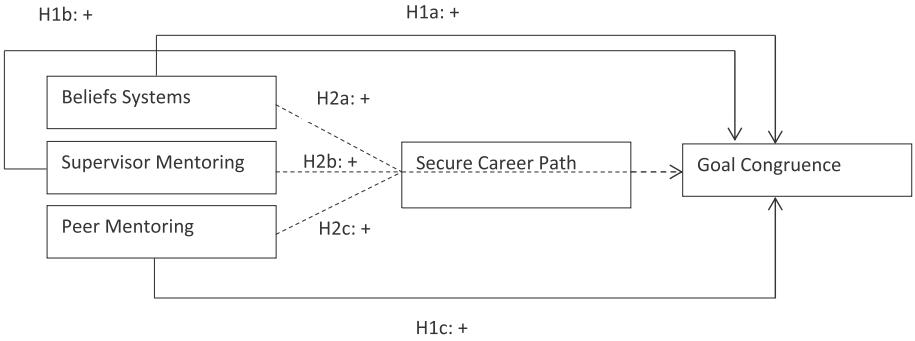

Fig. 1. Theoretical model.

The above quote illustrates the importance Whole Foods places on communicating its core values, which it contends is the essence of the company. This view is consistent with researchers who argue that the most important internal factor in establishing goal congruence is to establish shared organizational beliefs and values held by its members (Anthony & Govindarajan, 2007). This control mechanism, commonly referred to as the beliefs system,[7] primarily communicates information about core values and is intended to provide a unified direction for the organizational members (Simons, 1995) by facilitating employees' adoption and internalization of core values (Flamholtz, Das, & Tsui, 1985). Pearce (1982, 24) states, "It [a mission statement] thus provides management with a unity of direction that transcends individual, parochial, and transitory needs. It promotes a sense of shared expectations among all levels and generations of employees. It consolidates values over time and across individuals and interest groups." Pearce's conclusions are corroborated by Marginson (2008, 27). Through a case study of a U.K. telecommunications company, he concludes that the beliefs system "encouraged greater commitment to organizational objectives." In sum, top managers use the beliefs system[8] to communicate information regarding their values and their commitment to certain ideals (Van Maanen & Schein, 1979). Thus, the more employees perceive that the firm emphasizes a beliefs system, the more they will understand and be able to impound what the organization is trying to achieve. Accordingly, we hypothesize the following:

H1a. Perceived emphasis on the beliefs system is positively related to goal congruence.

2.2.3. Superior mentoring

> At Microsoft we share knowledge, experiences, and resources to help each other achieve our career goals and grow both professionally and personally.
>
> ***Mentoring*** *allows you to learn from the experiences of professionals within and outside of your own area of expertise, and to build a network to help find opportunities that can promote your development. Mentoring is a great way to make a big company feel smaller—and its opportunities more accessible—to each of us.* (https://careers.microsoft.com/benefits; July 13, 2016).

Mentoring is a commonly used tool in organizations; about 70% of Fortune 500 companies have a formal mentoring program (Gutner, 2009). As illustrated above, Microsoft touts its mentoring program as an integral part of career development. While some firms have formal mentoring programs whereby a superior is formally assigned a mentee, other programs are informal and take place through unstructured processes. Informal mentoring may also co-exist with formal mentoring programs. Research has documented that both formal and informal mentoring programs are beneficial for organizations (Viator, 2001). Organizational mentoring encompasses two primary types of roles: career development and psychosocial (Kram, 1983).

The career development-mentoring role is often performed by superiors who have the position and authority to help advance the mentee's career (the psychosocial role is addressed in the next hypothesis). Superiors provide mentees with assignments that are challenging and help to develop their skills (Ragins & McFarlin, 1990). Through the provision of these opportunities, employees come to understand what the organization values and become attuned to the norms and idiosyncrasies of the organization; essentially learning the 'ropes' of the organization (Lankau & Scandura, 2002; Ragins & McFarlin, 1990; Kram & Isabella, 1985). Thus, superior mentoring is a one-way information exchange that provides employees with a referent point regarding organizational values and goals (Chatman, 1991; Kram & Isabella, 1985). Chao, Walz, and Gardner (1992) posit that while providing career-related mentoring, mentors impart knowledge that communicates the organizations' goals which helps mentees become socialized to the firm. Using survey data from 576 respondents in managerial and professional positions, they found that career-related mentoring is positively associated with several organizational outcomes, one of which was the extent to which the organizational goals had become impounded (Chao et al., 1992). Similarly, Ostroff and Kozlowski (1993) obtained survey data from 343 respondents who were one year removed from graduating with a business or engineering degree. They examined four broad domains of knowledge related to the task, the role, the work group norms, and the organization. The latter included an understanding of firm values and its mission that mentors provide information on to mentees. They posited that mentees with mentors focused on career development become more familiar with the inner workings of the organization and broad responsibilities of roles rather than with the specifics of tasks and work group norms. Ostroff and

[7] The beliefs system has been linked to desired outcomes including organizational learning, the efficient use of top management's attention, and firm performance (Widener, 2007). In a case study of a welfare agency, Chenhall, Hall, and Smith (2010) found that the beliefs system was critical to building and maintaining social networks and relationships within organizations and enhanced the firm's stock of social capital, deemed necessary to the effectiveness of non-governmental organizations (NGOs).

[8] To illustrate the use of a beliefs system as a control consider Zappos who has ten core values that drive all behaviors within the organization; they are the values that employees are to "live by" (http://www.zappos.com/core-values; July 13, 2016).

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Kozlowski (1993), thus, hypothesized and found that mentees with mentors focused on career development were more informed about the organizational domain relative to other content domains (see also Kram, 1983; Lankau & Scandura, 2002; Ragins & McFarlin, 1990). Accordingly, we posit that the more employees perceive that they are mentored by a superior who provides them with opportunities for career development, the more they come to understand and impound the importance of the organization's specific goals. Thus, we formally hypothesize:

H1b. Perceived emphasis on (good)[9] superior mentoring is positively related to goal congruence.

2.2.4. Peer mentoring

> *In the Zappos family,* ***peer-to-peer*** *employee rewards programs help build a positive team spirit …. Zapponians have the chance to acknowledge others who are excellent examples of the culture and have done super awesome job."*
>
> *(Under the caption "Four Peer-to-Peer Ways Zappos Employees Reward Each Other at* http://www.zapposinsights.com/blog/item/four-peertopeer-ways-zappos-employees-reward-each-other; *July 13, 2016).*

In addition to superior mentoring, the literature provides evidence on the existence of peer mentoring where peers enter into a relationship to guide, counsel, and 'mentor' one another (e.g., Kram & Isabella, 1985). The term "peers" refers to those work colleagues that are on an equal standing; peers perform similar work tasks, are at a similar rank, or have a similar pay grade. Peer mentoring is thus an employee-to-employee exchange that can provide a psychosocial function where one employee recognizes exemplary behavior in another and communicates that recognition through praise, encouragement, or a 'pat on the back; ' thus, providing feedback at the horizontal level (Welbourne, Balkin, & Gomez-Mejia, 1995; Kram & Isabella, 1985). In contrast to superior mentoring where the employee is a receiver of information, in peer mentoring, because the relationship is between 'equals', there is a two-way communication exchange where both the mentor and the mentee learn about the organization. Accordingly, the employee can provide, or be a sender of information.

As the Zappos illustration points out, companies attach importance to peer mentoring and tout the effect it has on their workforce. Research literature also supports the benefits of serving as a mentor. As a provider of encouragement, congratulations, and recognition to 'mentees', the 'mentors' more deeply ingrain and internalize the organization's objectives and become more committed to the organization. They learn from these relationships because participating as a 'giver' in information exchange means that they believe they are able to recognize appropriate behaviors in others (Allen & Eby, 2003). This bolsters their confidence, reinforces their knowledge, and more deeply ingrains their understanding of what the organization values. Thus, when serving as a mentor, employees gain self-awareness and develop deeper insights about their job role and career path. Based on a survey of doctors, Stenfors-Hayes et al. (2010, 151–152) concluded that 74% of "respondents believed that the mentorship led to personal development … whilst 50% of the respondents claimed that the mentorship led to professional development," furthermore, a majority of respondents believed that being a mentor led them to reflect more on "their own values and work practices."[10] The accounting literature has embraced peer mentoring as a control mechanism that minimizes free rider problems associated with teamwork, usually referring to it as mutual monitoring (e.g., Towry, 2003). Furthermore, literature has found that organizations can use it in place of monetary incentives (Sedatole et al., 2014; Widener et al., 2008). It is also an integral control in lean environments where employees work in empowered teams to accomplish organizational objectives (Kennedy & Widener, 2008).

In sum, we propose that the more employees recognize desirable behaviors and send information to a peer in their role as a peer mentor, the more they ingrain desired behaviors and better learn what the organization expects. Thus, we formally hypothesize:

H1c. Perceived emphasis on peer mentoring is positively related to goal congruence.

H1a – H1c predicts that socialization mechanisms are directly related to goal congruence. While the literature provides a basis for developing these hypotheses, we are not suggesting that the three socialization mechanisms directly and specifically communicate the importance of the firm's goals. Instead, we posit that in communicating core values, providing challenging work assignments, and recognizing the good works of others, firm goals are implicitly communicated and impounded. However, it could be that the direct relationship is not observable since it provides a limited view of the relationship; it "explicitly represents only the beginning and end of a causal chain" (Luft & Shields, 2003, p. 191). In this subsection, we address why this process works. We draw on uncertainty reduction theory to propose that the process works through perceptions of career security.

Saks and Ashforth (1997, 236) state that "perhaps the most common theoretical framework driving socialization research has been uncertainty reduction theory." When taking on a role, making decisions, and exerting effort, organizational members experience uncertainty regarding what is expected and how they fit into the plans of the organization (Baker, 1995; Lester, 1987; Mignerey et al., 1995; Saks, 1996). To reduce this uncertainty, employees engage in information exchange in an attempt to make their work environment "more predictable, understandable, and ultimately controllable" (Saks & Ashforth, 1997, p. 236). This is consistent with Galbraith (1973) who contends that information is useful for reducing uncertainty. One stated purpose of socialization mechanisms is to communicate information that helps employees feel more secure regarding their future opportunities with the organization (Saks & Ashforth, 1997). Empirical research shows that through the provision of information, socialization practices facilitate the reduction of uncertainty (Mignerey et al., 1995) and anxiety (Saks, 1996), and positively influence role certainty (Baker, 1995) and organizational commitment (Allen & Meyer, 1993). Since antecedents of career insecurity include feelings of anxiety and loss of control over the situation (Ashford, Lee, & Bobko, 1989), we propose that socialization mechanisms that provide career-related information through the communication of core values,

[9] Superiors could provide bad advice and mentoring. For example, a senior professor could advise a junior professor to work on a specific project with a time horizon that is incompatible with the junior professor's tenure time horizon. An implicit assumption of our study is that the mentoring provided is helpful or good, as opposed to bad. If the mentoring was indeed ill-advised, we would be biased against finding results.

[10] Note that these studies do not examine how the mentors develop or acquire the knowledge used in the mentoring relationship, only that they engage in peer relationships that have beneficial outcomes. In this particular study, it is likely that peer mentors have different work and background experiences, different tenure with the tasks, workplace group, and firm to draw upon, and are simultaneously mentees in a superior mentoring relationship that they learn from.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

career development opportunities, and acknowledgement of peer accomplishments, will reduce employees' uncertainty regarding the security of their career.

We contend that there are two primary reasons why the perceptions of the security of career paths enhance recognition of the importance of organizational goals. First, Lee and Wong (2004) argue that the more employees care about job security and the carving out of a long-term career path, the more they become immersed and a part of the organization, and the more salient the organization's values and norms become (Lee & Wong, 2004). This is broadly supported in the literature since job and career insecurity is found to be negatively associated with organizational commitment and positively associated with turnover intentions (Ashford et al., 1989). Second, when employees envision a secure career path they derive their feelings of personal success and satisfaction, in part, from accomplishments achieved at work. Thus, it becomes even more important that they recognize which goals the organization considers are most important to accomplish (Goffee & Scase, 1992). Goffee and Scase (1992) argue that the desire for these feelings of personal success and satisfaction are strong enough that the presence of the perception of a secure career path can substitute for monetary incentives.

In sum, we draw on existing literature and uncertainty reduction theory to propose an indirect relationship whereby socialization mechanisms provide information to employees thus reducing their uncertainty about future career prospects. In turn, employees become more attached to the organization and its goals become more salient, thus, goal congruence is enhanced. Accordingly, we formally hypothesize:

H2a. Perceived emphasis on the beliefs system is positively related to goal congruence through the perception of a secure career path.

H2b. Perceived emphasis on superior mentoring is positively related to goal congruence through the perception of a secure career path.

H2c. Perceived emphasis on peer mentoring is positively related to goal congruence through the perception of secure career path.

Now that we have developed our theoretical model, we would like to examine an important characteristic of the workforce that could moderate the relationships hypothesized. Our respondents include both bargaining (i.e., union) and non-bargaining (i.e., non-union) employees. We draw on uncertainty reduction theory to develop our hypotheses. Yet due to the protective forces of unions (e.g., Hammer & Avgar, 2005), employees that belong to a union members face less uncertainty about their career security than do non-union employees. Thus, it is important to also examine whether our theoretical development holds equally well for both union and non-unionized employees.

Two lines of reasoning motivate this analysis. First, union employees may exhibit more loyalty to the union than to the firm, inhibiting the impounding and understanding of firm goals (Traugh, 2013). However, interestingly, the research on productivity in union versus non-union firms is mixed. Generally, it is thought that union employees are motivated differently than are non-union employees (e.g., Bryson, Charlwood, & Forth, 2006). However, Traugh (2013) examines the motivation effects of union employees as compared to non-union employees and finds that union and non-union employees perceive motivation in work tasks, productivity, and job satisfaction similarly. Traugh (2013, 71) concludes that non-union employees "are driven by similar motivators … both intrinsic and extrinsic, as non-union employees throughout their careers." Given the existence of similar motivators, it may be reasonable to conclude that controls used to impound firm goals would work similarly across employee types. Relatedly, some researchers even find that union firms are more productive when union leadership teams up with firm management since this joint effect provides a stronger presence to mobilize the workforce towards firm goals (e.g., Pagell & Handfield, 2000).

Second, although union employees benefit from higher economic utility, they are generally less satisfied with their jobs and less committed to the organization than are union employees (Hammer & Avgar, 2005). Interestingly, though, the organizational climate (i.e., nature of the labor relations) is a determining factor in union members' perceived job satisfaction and commitment (Hammer & Avgar, 2005). Traugh (2013) holds that a barrier between union employees and firm management exists such that interaction is minimized. When the relationship between firm management and union employees is distant, tense, or unsupportive, their commitment to the organization is negatively affected (Gordon & Ladd, 1990). This finding could suggest that beliefs as espoused by top managers are an important factor for union employees. Hammer and Avgar (2005) also suggest that poor relations between management and union members could spill over to negatively affect relationships at the lower-levels of the organizations, thus, creating a more hostile and unpleasant work environment that negatively affects satisfaction and commitment. This may have broader implications for socialization mechanisms, suggesting that socialization mechanisms across levels are important for union employees despite their job security.

Given that there is no theory developed regarding the specific associations in our model, coupled with the inconsistent findings related to more general, but related, characteristics of union versus non-union employees, we decide to pose the following research question:

RQ1: Do the relationships in our theoretical model among socialization mechanisms, perceptions of the security of the career path, and goal congruence depend on the type of employee?

3. Setting and research methods

3.1. Research setting

The setting for this study is a defense contractor in the United States. Although the firm performs an overwhelming majority of its work for the Department of Defense, the company also utilizes its excess capacity through selling to private industry. The employee base is comprised of bargaining, non-bargaining, and contract employees. Contract employees are variable and used to maintain desired full-time employment levels. The company is organized into three operational and three support departments with a total of over 4500 employees. Our study is set in one of the operational departments, which has 854 employees. This department is further organized into five divisions, which contain 37 branches, each of which produces a different product or service. The company's structure is depicted in Fig. 2. Manufactured products range from smaller output such as circuit boards, which are completed in a matter of several days to large radar systems, which take months to complete. Services include development, installation and maintenance of security systems, and development and testing of guidance systems. Although the products and services vary broadly, all the products use highly complex technologies. One researcher was embedded within the company during a sabbatical while the remainder of the research team participated in site visits.

Each branch tracked measures to support daily operations. In addition, the firm was on a lean journey and, thus, many processes

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

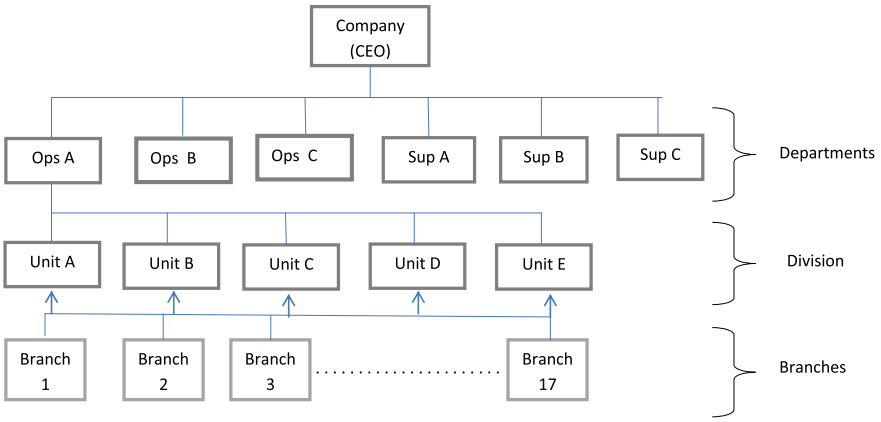

Fig. 2. Organizational Chart – Research Site.
The research site is depicted as Ops A. This is the departmental level.

had standard operating procedures to help guide the work tasks.[11] However, the variety of products produced by the branches made the development of a consistent and comparable performance assessment system across the firm difficult. The firm required that each branch track, measure, and report on three dimensions - Quality, Schedule, and Productivity. For reporting, the branch manager reported the measures monthly directly to corporate personnel, bypassing the division and departmental levels. However, for inclusion in the organization's scorecard, the branches' measures were aggregated at the division, business unit, and company levels. Accordingly, each dimension was measured exactly the same way throughout the organization regardless of the type of output. This was problematic considering the variety of outputs. For example, Productivity was measured as 'total outputs produced divided by total labor hours,' where outputs is defined as any product or service delivered to the customer. This measurement may be informative in high volume manufacturing branches, but meaningless when the output is a service which may be based on a contract requiring months to complete. Moreover, any potential information was lost when aggregating across the various outputs. Consequently, due to the lack of confidence in the system, the organization decoupled performance measures from employees' performance evaluation.

The problems with the stipulated performance measurement reporting were evident during discussions with the branch managers and employees. In an open-ended question towards the end of the survey, respondents made such comments as:

> "There is no value with the measurements provided. Not only are the measurements meaningless but they are sent to people to whom they mean even less. We are not a production facility and would never place measurements based on time or on quantity since quality, success, and customer satisfaction are most key." (Respondent 21)

> "The current production metric measurement method is a complete waste of time." (Respondent 31).

> "Performance measures are generally meaningless when the product is constantly changing. Why count apples this month when the next month you'll be making strawberries." (Respondent 45)

> "Past performance metrics I have been associated with have not been meaningful. The scope of project and engineering tasks I perform is constantly changing. This, I believe, makes it very difficult and time-consuming to create meaningful metrics from this type of work." (Respondent 52)

Branch managers confirmed in informal discussions that they agreed with this representation of their reporting of performance measures. Due to the decoupling of them from employees' evaluation and incentive process, this is an ideal site to examine how goal congruence is achieved.[12]

It became clear to the researchers through discussions and observation that there was a defined culture of 'getting the job done' and delivering a quality product. The emphasis seemed to be on developing a social environment that encouraged desirable behaviors, which led us to consider the three social mechanisms of beliefs, superior mentoring, and peer mentoring. The beliefs system was quite evident. We observed numerous banners and signs with slogans, such as "Support our Warfighter," that appeared to contribute to an overall culture of national pride, as well as pride in performing a critical role for the nation. For example, all entrance gates into the facility had very large permanent signage with the key slogan in big bold print. Tours through the office spaces and through operations also revealed smaller reminders of their mission with language designed to promote unity of purpose and patriotism. We observed differences in perceptions of superior mentoring styles and relationships across divisions and branches. For example, employees of one branch categorized employees as either "tile" (rank and file) or "carpet" (supervisors) indicating a divide between supervisors and employees while in other branches it appeared that the relationships were much closer.[13] Finally, we noted that employees were organized into teams, making it likely that peer mentoring was an on-going process existing within the

[11] We control for the division of the respondent in the empirical tests, which should pick up on any differences in controls (usage of performance measures, SOPs, etc.) that vary in use across divisions.

[12] Note that employees do have an annual performance review with their branch manager. Performance scoring is on a 1–5 scale with 5 being the highest performance. The assessment is subjective and generally assesses whether the employees meets expectations; it is not tied to performance measures. In accordance with the bargaining agreement all bargaining employees are given the same percentage raise regardless of the performance assessment. There is a small amount of variance in raises allowed for non-bargaining employees and no incentives tied to contractor performance.

[13] We do not have data on the branch affiliation of the respondents as branch identification was viewed as a threat to anonymity. However, we do know that our respondents are spread fairly evenly across all five divisions, with the spread ranging from 61 employees (division 5) to 79 employees (division 4).

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

team culture. Most of the teams were small, but they varied greatly depending on the product produced. For example, in R&D, teams were organized by project while a branch that manufactured a multi-staged product was organized by process.

3.2. Survey administration, development, and measures

Drawing on underlying academic research, we developed a survey consisting primarily of applicable, well-established measures. We translated the questionnaire to on-line delivery using *Zoomerang* and then pre-tested it with 15 employees in a different department of the research company, as well as with other academics. After two iterations of changes, we used the company's intranet to contact all employees of one department. The email contained the survey link and emphasized anonymity.[14] Employees were asked to complete the survey within two weeks and a reminder was sent to them after one week. The targeted respondents did not include branch or division managers. The final sample consisted of 354 (41.5%) usable employee responses out of 854 surveys sent.[15]

The department's outputs employ high technology and, as a result, its employees are considered knowledge workers, primarily in the engineering field. Accordingly, our respondents' are highly educated with 64.4% having a minimum of a college bachelor's degree and 19.8% of those holding an advanced degree. The company has employed 43% of the respondents for over 20 years, 64.2% have been employed within the same department for 4–10 years or greater, and 57.4% have been employed within the same division for 4–10 years or greater. One-hundred three respondents are bargaining employees, 197 are non-bargaining, and 54 are contractors.[16]

3.3. Variable measurement

We used established scales to measure employees' perception of the extent to which: top managers use the beliefs system to communicate core values (Widener, 2007), superiors mentor them on career development (Ragins & McFarlin, 1990), and they engage in peer mentoring (Welbourne, et. al., 1995). We also measured employees' perceptions of the extent to which they thought their career path was secure (Lee & Wong, 2004).

We take our measure of beliefs from Widener (2007). She developed a four-item scale that captures the extent top managers use the beliefs system to convey core values to their workforce. The scale asks about the extent the firm uses a mission statement to convey values, the extent top managers communicate values, and how aware the workforce is of the values. In a sample of top managers from 122 firms, she finds that the construct is uni-dimensional with a Cronbach's Alpha of 0.91. In our sample, the construct is also uni-dimensional with an explained variance of 70.9% and a Cronbach's Alpha of 0.87.

To measure superior mentoring, we draw on Ragins and McFarlin (1990) who developed a scale, which captures multiple dimensions of the mentoring role. We utilize a three-item scale that captures the mentoring role dimension of providing challenging assignments. Following a thorough pre-test, Ragins and McFarlin (1990) used responses from 880 employees and found that the dimension of "providing challenging assignments" was uni-dimensional with a Cronbach's Alpha of 0.92. The scale captures such concepts as the extent to which the mentor (i.e., supervisor) provides challenging assignments and assigns tasks that develop new skills. In our sample, we also find that this scale is uni-dimensional with an explained variance of 84.7% and Cronbach's Alpha of 0.91.

Welbourne et al. (1995) developed two measures of mutual mentoring. We use the measure which they describe as "the extent to which employees … respond to them [co-workers' behaviors] as the co-workers reach, exceed, or fail to meet expectations." The construct assessed the extent employees congratulated one another when doing a good job, communicated the completion of acceptable work and communicated that to others, and let the co-worker know if they are performing at an unacceptable level. In Welbourne et al.'s (1995) sample of employees at two firms (consumer products and high technology), the measure was uni-dimensional with a Cronbach's Alpha of 0.76. Our measure consists of three questions[17] that capture the positive aspects of peer mentoring; it is uni-dimensional with an explained variance of 72.4% and a standardized Cronbach's Alpha of 0.81.[18]

We measure the perception of career security by modifying Lee and Wong's (2004) measure of career anchors. Lee and Wong (2004) modified Schein's (1990) Career Orientations Inventory to measure how respondents assessed the importance of factors such as security and stability in their career. They measured it with four items that asked about the importance of career path, development and training, rewards, and the receiving of clear criteria for promotion. In a sample of 1389 R&D professionals, they found that the scale was uni-dimensional with a Cronbach's Alpha of 0.79 and conclude that "individuals with a *security/stability* anchor tie their careers to organizations that provide them with job security and long-run career stability as they are risk-averse" (Lee & Wong, 2004, p. 11). We modified the Lee and Wong (2004) scale to capture the extent to which respondents perceive that a secure career path exists in their organization. In our sample, the construct is uni-dimensional with explained variance of 69.5% and a Cronbach's Alpha of 0.85. We label this measure *secure career path*.

The dependent variable, goal congruence, is the extent of agreement by organizational members about its goals (Lanen et al., 2011). One way to measure goal congruence is to ask each respondent to provide us with his/her goals and then compare them to the organization's goals; however, trying to summarize this information across respondents and create a measure would increase the measure's noise. Instead, we chose to ask respondents to rank order the importance of a list of the Department's goals. This way of measuring goal congruence has three benefits. First, assessing the importance of each of the department's goals reveals the respondents' preferences, thus, it implicitly provides us with information on their individual goals. Second, we are able to use an already established and validated measure (Vancouver et al., 1994) and simply adapt it to our setting, which lends validity to the measure. Third, it is more tractable and less noisy as we can easily aggregate across respondents in the cross-section.

[14] The straight-forward and unflattering comments about the company's performance measurement system provided assurance that the employees believed that it was anonymous.

[15] Although we would like to conduct a test for non-response bias we have no data available for the non-respondents. However, since the response rate was high, the potential for non-response bias is reduced.

[16] The contractors were employees of an outside contractor firm. Our organization contracted with the outside firm and this contract set salaries, but did not set priorities and/or goals; thus, these had to be communicated within the company. Overall, it is important to the organization that all types of employees understand the mission and goals as they collaborate on cohesive work teams (mixed among employee types) to perform work.

[17] We removed one question that had a significant cross-loading.

[18] Our measure of superior mentoring picks up on the career development aspect of mentoring, while our measure of peer mentoring picks up on the psychosocial aspect.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Vancouver et al. (1994) developed their measure to capture the extent of goal congruence that existed between principals and teachers across 364 high schools. We, along with the Department Operations Director and the CEO, developed a list of ten goals for the Department gathered from mission statements and strategy documents. At this site, the Departmental Operations Director is the highest-ranking person in the department and, thus, sets its goals. Testing revealed this number too many for a ranking task and the Departmental Operations Director reduced the list to the seven most important goals at the Departmental Level (Ops A). A survey question stated: *"The following is a list of 7 goals for the Department in no particular order. Rank these seven goals with 1 being the most important goal by placing your ranking score in the space before the goal"* (see Appendix A). The system did not allow ranking scores to be duplicated. We asked the Department Operations Director[19] to also rank each of these goals to reflect the priorities of the department. We then compared each employee's rankings of the perceived importance of departmental goals to those of the Operations Director using procedures outlined in Vancouver et al. (1994) and analyzed them using the D Statistic (Cronbach & Gleser, 1953). Appendix B illustrates the development of this variable. The D statistic is the square root of the sum of the squared differences between the ratings of each employee to the ratings of the Operations Director. Thus, the smaller the statistic the more similar (or congruent) the rankings, while the larger the statistic the more dissimilar (or incongruent) the rankings. For understandability, we reverse all signs in the results and interpret the variable as Goal Congruence with larger values indicating higher congruence.

3.4. Reliability and validity tests

Table 1 shows descriptive statistics for all of the variables. Table 2 shows Pearson correlations and Cronbach's Alpha scores for each of the four variables, all of which exceed 0.70, which is the recommended standard (Nunnally & Bernstein, 1994). All variables are significantly related to one another with the exception of goal congruence whose only significant relationship is with secure career path. Variance inflation factors and tolerance statistics are within recommended limits indicating that multicollinearity is likely not an issue.

In this study, the independent variables are perceptions measured using a single respondent. Our dependent variable compares the perceptions of the respondents to the perception of the division manager, thus involving a second respondent and partially mitigating the likelihood that bias exists. To provide additional assurance on the suitability of our measures, we undertake a rigorous examination of common method bias utilizing both procedural and statistical remedies (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Although respondents were aware that they were answering questions about the importance of organizational goals, they were unlikely to guess that our interest would be in the relation between three socialization mechanisms and goal congruence. If the research question is unknown, respondents have less ability to manipulate their answers in an attempt to meet some presumed expectations of the relationships. We did not group questions by construct. We protected the respondents' anonymity and carefully pre-tested the survey to ensure that we avoided ambiguity and used simple, easy-to-understand, concrete, language. To assess the extent of common method bias that may remain after implementation of procedural remedies, we ran a Harman's one-factor test on the 14 survey questions that form the primary constructs in our model. The factor solution is shown in Appendix C. A little over 20% of the variance is explained by the first factor (20.4%) with the balance of the variance explained by the other three factors (20.0%, 18.4% and 15.8%) (Campbell & Fiske, 1959; Podsakoff & Organ, 1986). Finally, our model is complex with both a mediator and moderator, thus, reducing the concern that common method bias will affect our statistical inferences. Overall, we conclude that the potential for common method bias is low and that our results should be robust to this issue.

Hair, Hult, Ringle, and Sarstedt (2017) suggests that both Cronbach Alpha and composite reliability scores be used to assess internal consistency of the latent variables. The Cronbach Alpha scores range between 0.81 and 0.91, while the composite reliability scores range from 0.89 to 0.94. Taken together these tests support that the latent construct is reliably measured. Convergent validity was calculated using the average variance extracted (AVE) from the indicators as well as their loadings on the latent variable. Consistent with recommendations by Hair et al. (2017), the AVE scores are acceptable, ranging from 0.70 to 0.84. The indicator loadings are sufficiently high, ranging from 0.81 to 0.94.

Two methods were used to ensure there is sufficient discriminant validity among the latent constructs. The Fornell-Larcker criterion compares the square root of the AVE values with the latent variable correlations. We find that this value is greater than each construct's highest correlation with any other construct, satisfying the criterion. The second method we used is the heterotrait-monotrait ratio (HTMT) which measures the between-trait correlations to the within-trait correlations. Higher scores indicate the constructs are conceptually very similar, while the lower the scores indicate greater differences and, thus, are more desirable to demonstrate discriminant validity. The HTMT scores among our latent variables range from 0.242 to 0.609 demonstrating that the variables are sufficiently distinct.

4. Analysis and results

4.1. Evaluation of structural equation model

We use the partial least squares method (PLS) to estimate a system of equations described in Fig. 1.[20, 21] We use PLS-SEM since it models measurement error contained in the latent variables and it allows for the simultaneous modeling of multiple outcome variables, yet does not make distributional assumptions. [22] We model covariances between the three socialization practices since it is theoretically likely that the extent of the socialization mechanisms are correlated. We have a sample of 354 observations and estimate 49 parameters (in Model B, which is the more complex model).

We employ a two-step modeling approach using SMART PLS 3 to test both the measurement model and the full SEM (Schumacker & Lomax, 1996). We report the results of the measurement model in Table 3. All loadings are significant ($p < 0.01$). Moreover, the standardized coefficients all exceed 0.69, which provides evidence

[19] This is the highest-ranking employee in the department and reports directly to the corporate CEO (see Fig. 2).

[20] The analysis is run using data from 354 surveys. We reviewed the tolerance and variance inflation factor for each coefficient. The highest VIF is 1.644 and the lowest tolerance is 0.608. We concluded that multicollinearity is not likely.

[21] As a robustness test, we also ran the analysis using AMOS. Our statistical inferences (untabulated but available from the authors) are qualitatively unchanged. The model fit was acceptable.

[22] Kurtosis and skewness indicate that the data is within tolerable levels of univariate normality. Kline (1998) suggests that skewness greater than 3.0 and kurtosis greater than 10.0 may suggest that a problem with the data. Kline (2011, 83) notes multivariate non-normality can usually be identified through univariate procedures; however, the Mardia statistic is 55.781, which is higher than the critical ratio of 23.237. This result is consistent with Byrne (2001, 268) who states, "most data fail to meet the assumption of multivariate normality."

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Table 1
Descriptive statistics.

	Theoretical Range	Actual Range	Mean	Standard Deviation	Kurtosis	Skewness
Beliefs (BLF)*	1–7		4.54	1.36		
BLF1: Mission statement clearly communicates core values	1–7	1–7	5.06	1.47	.489	1.878
BLF2: Top managers communicate core values	1–7	1–7	4.26	1.78	-.833	−3.097
BLF3: Workforce is aware of core values	1–7	1–7	5.08	1.55	.089	.342
BLF4: Mission statement inspires workforce	1–7	1–7	3.78	1.66	-.806	−3.199
Supervisor Mentoring (MNT)*	1–7		4.84	1.53		
MNT1: Supervisor provides challenging assignments	1–7	1–7	4.86	1.68	-.361	−1.385
MNT2: Supervisor assigns tasks that develops new skills	1–7	1–7	4.71	1.66	-.421	−1.618
MNT3: Supervisor gives tasks that requires me to learn new skills	1–7	1–7	4.94	1.64	-.072	-.277
Peer Mentoring (PM)*	1–7		5.14	1.16		
PM1: I congratulate others on doing an outstanding job	1–7	1–7	5.68	1.30	1.002	3.849
PM2: I let others know when they are working at an acceptable level	1–7	1–7	4.89	1.37	.368	1.414
PM3: I let everyone know when someone is doing good work	1–7	1–7	4.85	1.41	.212	.813
Secure Career Path (SCP)*	1–7		4.15	1.57		
SCP1: Adequate career path opportunities	1–7	1–7	4.28	1.90	-.991	−3.805
SCP2: Emphasis on professional development through training	1–7	1–7	4.45	1.85	-.829	−3.179
SCP3: Fairness of rewards	1–7	1–7	4.47	1.87	-.828	−3.179
SCP4: Clear criteria for promotion opportunities	1–7	1–7	3.39	1.86	−1.160	−4.455
Goal Congruence**	0–10.58	0.09–9.17	5.34	1.82		

* The descriptive statistics are for illustrative purposes and calculated as the average of the underlying items. Note that the averages are not used in the SEM analyses. There is no actual range, since the theoretical range is for a point estimate (i.e., the mean). The item descriptions are abbreviated based on the variable scales found in Appendix A.
** Reverse coded such that higher values reflect higher goal congruence.
Note that the complete items are described in Appendix 1.

Table 2
Pearson correlations with Cronbach's alpha in the diagonal.

	# of Measures	1 SECURE CAREER PATH	2 BELIEFS	3 SUPERVISOR MENTOR	4 PEER MENTOR	5 GOAL CONG	Mean	S.D.
1	SECURE CAREER PATH	**0.85**					4.15	1.57
2	BELIEFS	0.52***	**0.87**				4.54	1.36
3	SUPERVISOR MENTOR	0.49***	0.43***	**0.91**			4.84	1.53
4	PEER MENTOR	0.27***	0.24***	0.26***	**0.81**		5.14	1.16
5	GOAL CONGRUENCE	0.19***	0.07	0.03	−0.001	–	5.34	1.82

Notes: n = 354.
*** significant at the 0.001 level; ** significant at the 0.01 level; *significant at the 0.05 level (2-tailed).
~ Measures 1 through 4 are a Likert scale from 1 to 7; Measure 5 is a single item (D-statistic).

of convergent validity.

4.2. Structural equation model – evidence on hypotheses and research question

We provide the results from the PLS-SEM in Table 4. Model A examines the direct relationships between the socialization mechanisms and goal congruence, while Model B includes the indirect effect of career stability. We depict the results from Model B in Fig. 3. Model A and Model B provide consistent evidence that there is no direct association between any of the socialization mechanisms and goal congruence. Moreover, the three socialization mechanisms are also not correlated (on a univariate basis) with goal congruence. We conclude that H1a – H1c are not supported.

Model B shows that the extent of the beliefs system (coef. = 0.403, $p < 0.01$), superior mentoring (coef. = 0.270, $p < 0.01$), and peer mentoring (coef. = 0.100, $p < 0.05$) are each positively related to the extent of a secure career path. The results indicate that employees perceive that socialization mechanisms across all levels of interactions (i.e., with top management, supervisors, and peers) are important to the perceptions they hold regarding the security of their career path. These results are consistent with evidence that the three socialization mechanisms reduce the uncertainty employees' experience in assessing whether there is a secure future and career progression available with their employer. We also find that the extent of a secure career path is positively related to goal congruence (coef. = 0.238, $p < 0.01$). This result is consistent with literature arguing that the more employees believe they have secure long-term opportunities with their employer, the more they become involved and a part of the company and, as such, become more aware of the importance of the company's goals.

Although not hypothesized, as expected, all three covariances are significant and positive (extent of superior mentoring and extent of the beliefs system, cov = 0.427, $p < 0.01$; extent of peer mentoring and extent of superior mentoring, cov = 0.280, $p < 0.01$; and extent of peer mentoring and extent of the beliefs system, cov = 0.209, $p < 0.01$). Consistent with existing literature (e.g., Malmi & Brown, 2008; Otley, 1980; Widener, 2007), the positive covariances provide evidence that the three socialization mechanisms move together.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Table 3
Measurement model.

Construct Indicators	Standardized Coefficients (loadings)
Secure Career Path (SCP)	
SCP1: Adequate career path opportunities	0.82
SCP2: Emphasis on professional development through training	0.82
SCP3: Fairness of rewards	0.81
SCP4: Clear criteria for promotion opportunities[a]	0.89
Belief System (BLF)	
BLF1: Mission statement clearly communicates core values	0.82
BLF2: Top managers communicate core values	0.86
BLF3: Workforce is aware of core values[a]	0.85
BLF4: Mission statement inspires workforce	0.83
Supervisor Mentoring (MNT)	
MNT1: Supervisor provides challenging assignments	0.91
MNT2: Supervisor assigns tasks that develops new skills	0.94
MNT3: Supervisor gives tasks that requires me to learn new skills[a]	0.91
Peer Mentoring (PM)	
PM1: I congratulate others on doing an outstanding job	0.81
PM2: I let others know when they are working at an acceptable level	0.88
PM3: I let everyone know when someone is doing good work[a]	0.87

Notes: n = 356 All coefficients are significant at $p < 0.01$.
The item descriptions are abbreviated based on the variable scales found in Appendix A.
[a] Indicates a parameter that was fixed at 1.0.

Table 4
Structural model.

			Model A	Model B
Relationships	Hypothesis	Expected Sign	Std. Coefficient	Std. Coefficient
Covariances				
Beliefs & Supervisor Mentor			0.335***	0.427***
Beliefs & Peer Mentor			0.076***	0.209***
Supervisor Mentor & Peer Mentor			0.122***	0.280***
Structural Model				
Beliefs → Goal Congruence	H1	+	0.081	−0.021
Supervisor Mentor → Goal Congruence	H1	+	0.010	−0.073
Peer Mentor → Goal Congruence	H1	+	−0.017	−0.040
Beliefs → Secure Career Path	H2	+		0.403***
Supervisor Mentor → Secure Career Path	H2	+		0.270***
Peer Mentor → Secure Career Path	H2	+		0.100**
Secure Career Path → Goal Congruence	H2	+		0.238***

Notes:
Model A: Direct effects model; Model B: Indirect effects model.
n = 354.
*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$; one-tailed for directional hypotheses.

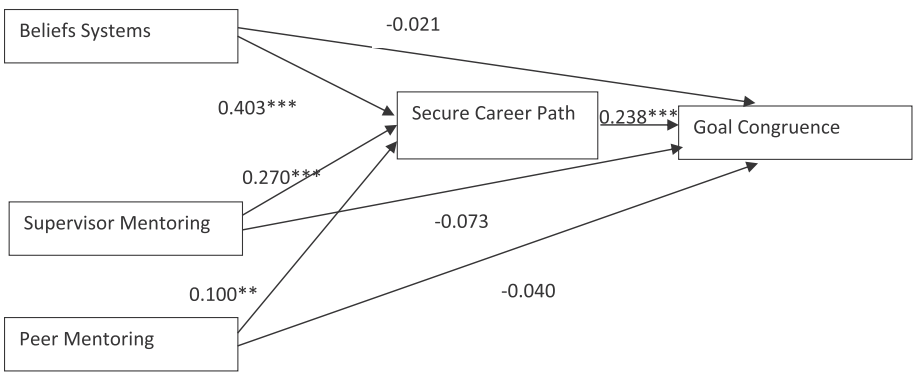

Fig. 3. Depiction of Results for the Structural Model (Model B).
Note: The three socialization mechanisms have positive covariances, which are not shown above. In addition, the variables are latent constructs; however, the indicators are not shown in the above figure (the figure only depicts the structural part of the model). The covariances are 0.427, 0.209, and 0.280, for beliefs and supervisor mentoring, beliefs and peer mentoring, and supervisor mentoring and peer mentoring, respectively. All are significant at $p < 0.01$.***, ** p-value < 0.01 and < 0.05, respectively.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Table 5
Moderating results – union membership PLS – MGA analysis. Structural model by group.

Relationships	Hypothesis	UNION Coefficient	NON–UNION Coefficient	Dif in Coefficents
Structural Model				
Beliefs → Secure Career Path	**H1**	**0.259****	**0.516*****	**0.273*****
Supervisor Mentor → Secure Career Path	H1	0.317***	0.219***	0.104
Peer Mentor → Secure Career Path	H1	0.147*	0.116**	0.028
Beliefs → Goal Congruence	**H2**	**0.183***	**−0.116**	**0.299****
Supervisor Mentor → Goal Congruence	H2	−0.183	−0.051	0.133
Peer Mentor → Goal Congruence	H2	−0.011	−0.050	0.037
Secure Career Path → Goal Congruence	**H3**	**0.086**	**0.319*****	**0.234***

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$; two-tailed tests, unstandardized coefficients.

In sum, our results show that while the three socialization mechanisms are not directly related to goal congruence, they are related indirectly[23] through the extent of a secure career path thus supporting H2a ($p < 0.01$; one-tailed), H2b ($p < 0.01$; one-tailed) and H2c ($p < 0.05$; one-tailed). As Luft and Shields (2003, 191) note, the intervening model of variables (i.e., socialization mechanisms to secure career path to goal congruence) "can sometimes help to explain weak" relationships between the independent variable and the final outcome variable. Our results show that the three socialization mechanisms communicate information that reduces employees' uncertainty and hence they feel more secure in their career path. In turn, they become more attached to the organization and its goals become more salient. Thus, if an organization desires to increase goal congruence (when the PMS decoupled from the evaluation system) it may want to review its use of the beliefs system, superior mentoring, and peer mentoring, and ensure that employees perceive that each is being emphasized. By increasing employees' perceptions of the use of these three socialization mechanisms, the firm can increase employees' beliefs that they have a secure career path, thus, increasing goal congruence.

To provide evidence on our research question regarding the moderating effect of union membership, we remove the 54 contract employees, divide our remaining sample into two sub-groups, and reexamine Model B. The bargaining employees (union) group consists of 103 employees while the non-bargaining (non-union) group consists of 197 employees. We provide the results in Table 5.

We depict the results of Table 5 in Fig. 4. They show that three of the paths in the main model are moderated by union membership. We use Multi-group Analysis (MGA) in PLS to test the significance of the differences. The relationship between beliefs control and perception of a secure career path are more positive for non-union employees (coef. = 0.516, $p < 0.01$) than for union employees (coef. = 0.259, $p < 0.05$; MGA of differences $p < 0.01$). The relationship between beliefs control and goal congruence is only significantly positive for union employees (union coef. = 0.183, $p < 0.10$; MGA of differences $p < 0.05$). The relationship between perceptions of the security of career paths and goal congruence is significantly positive in only the non-union group (non-union coef. = 0.319, $p < 0.01$; MGA of differences $p < 0.10$). This analysis reveals an interesting insight. For union employees the results reveal that perceptions of a secure career path are not necessary to establish goal congruence. This result could be due to the security that union members receive contractually and via their union membership. For union employees, the emphasis by top management in communicating organizational goals is the control mechanism that directly facilitates goal congruence. Thus, in sum, socialization mechanisms are important control mechanisms for both union and non-union employees, but 1) the importance of each specific mechanism differs across groups and 2) how they achieve goal congruence differs across groups. This is an important finding since Gittell (2000) empirically finds that the union membership is not related to relational co-ordination, which includes shared goals.

4.2.1. Robustness tests

As discussed earlier, we did not find a direct association between any of the socialization mechanisms and goal congruence. We further explore these insignificant associations between each of the socialization mechanisms and goal congruence by examining the correlations across quintiles. A plausible explanation for not finding a direct association between each of the socialization mechanisms and goal congruence is because the relation is non-linear. That is, at low levels of socialization the effect is not present and at high levels, there becomes 'too much of a good thing' and again, the effect becomes insignificant. Examining the correlation between each of the socialization mechanisms and goal congruence for each quintile allows us to shed insight on this alternative plausible explanation. To do so we split the data into quintiles based on the value of the beliefs system (and then repeated for superior mentoring and peer mentoring) and examine the correlation between each of the socialization mechanisms and goal congruence. The lack of significant results supports our conclusion that the socialization mechanisms are not directly associated with goal congruence, but are indirectly associated through perceptions of the security of the career path.[24]

In order to ensure that the SEM model results are robust we perform several validity tests. First, to ensure that our results are not a function of self-selection on behalf of the workforce, we control for the effect of employees' feelings of national pride on beliefs, superior mentoring, peer mentoring, career security, and goal congruence. It could be that employees who choose to work in this organization have stronger feelings of national pride that drive goal congruence (e.g., they already believe in the warfighter and hence the need to successfully execute workload in their areas of technical competence). To shed insight on the potential for coverage bias, we measure and control for national pride using three survey questions that ask about such feelings as being a citizen of the U.S. and pride in the country. The construct has an alpha of 0.880 and is uni-dimensional. We find that national pride is positively associated with beliefs ($p < 0.01$, two-tailed) and peer mentoring ($p = 0.10$, two-tailed). Importantly, we find that our statistical results are unchanged.

Second, it is possible that variations in economic stability across respondents could drive our results. When conditions are stable, social mechanisms may function better and goals are likely to be in alignment. However, in times of uncertainty, it may be more

[23] Preacher and Hayes (2004) note that a significant direct effect of X on Y is required for a *mediation* effect; however, there is no such requirement for an *indirect* effect.

[24] The lack of significant (linear or non-linear) results is also consistent with a review of scatterplots.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

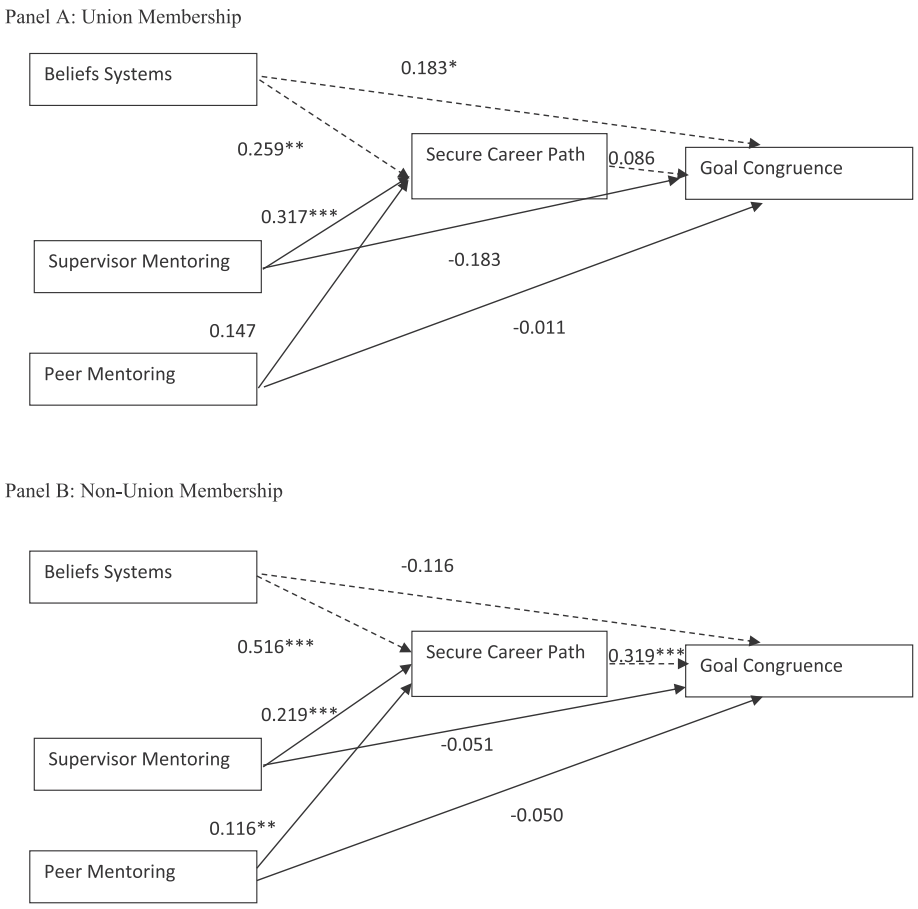

Fig. 4. Depiction of Results (for the Structural Model) as Moderated by Union Membership.
***, ** p-value < 0.01, p-value < 0.05
Note: Dashed lines are those that are paths that differ significantly between groups. Although these are latent constructs, the indicators are not shown in the figure depicted above.

difficult for socialization mechanisms to function effectively. Since our respondents are from the same firm, our research method controls for external variation in economic stability. To control for internal variation, we use respondents' division to capture influences that vary across division.[25] We control for the effect of division on beliefs, superior mentoring, peer mentoring, secure career path, and goal congruence. The results suggest that different divisions rely somewhat differently on socialization mechanisms. Divisions' 1 and 3, relative to the other divisions, rely less on beliefs ($p < 0.5$, $p < 0.10$, respectively, two-tailed) while Division 2, relative to the other divisions, relies more on superior mentoring ($p < 0.10$, two-tailed). Moreover, Divisions' 2 and 4, relative to the other divisions, have lower perceptions of goal congruence ($p < 0.10$, $p < 0.01$, respectively, two-tailed). Although division is associated with the socialization variables and perceptions of goal congruence, importantly, we find that our statistical results and inferences regarding the hypotheses are unchanged.

Finally, we run a series of models that control for training[26] and personal characteristics (education level and length of time with employer, with department, and with division). We control for each by modeling associations between the control variable and beliefs, superior mentoring, peer mentoring, career security, and goal congruence. We find that training is positively correlated with beliefs ($p < 0.01$, two-tailed) and with peer mentoring ($p < 0.01$, two-tailed). Importantly, we find that our original model are qualitatively unchanged. Education is rated on a five-point scale capturing high school degree, some college, associate's degree, bachelor's degree, and graduate work. Length of service is rated on a five-point scale ranging from <1 year to >20 years. The results show that level of education is negatively associated with beliefs ($p < 0.05$, two-tailed) but positively associated with secure work path ($p < 0.01$, two-tailed) and with goal congruence ($p < 0.10$, two-tailed. We also find that the length of service with the department, division, and with the company is negatively related to beliefs ($p < 0.05$, $p < 0.01$, and $p < 0.05$, respectively, two-tailed). In addition, length of service with the department is negatively related to superior mentoring ($p < 0.10$, two-tailed) and length of service with the employer is positively related to goal congruence ($p < 0.05$, two-tailed). These results indicate that those with greater tenure believe less emphasis is placed on the beliefs system and superior mentoring, but have more goal congruence. Importantly, for all control variables we find that the results of our base model are qualitatively similar.

5. Conclusion

This study provides evidence on the effects of socialization mechanisms in organization. We find that three socialization mechanisms—the beliefs system, superior mentoring, and peer

[25] Controlling for division will also pick up on any differences that exist in the use of other control mechanisms.

[26] We use a modified version of Snell and Dean's (1992) training measure. We included six questions that measured the employee's training in terms of hours, variety, depth, priority, formality, and whether it is viewed as an investment or a cost. The construct is uni-dimensional with explained variance of 59% and a Cronbach's Alpha of 0.851.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

mentoring—are related to outcomes desired by employers. We document that all three socialization mechanisms positively influence goal congruence because they reduce employees' uncertainty about their career paths. This is an important contribution since "deeper understanding is gained when we comprehend the *process* that produces the effect" (Preacher & Hayes, 2004, p. 717). Importantly, though, we find that this interpretation only holds for non-union employees. For union employees, the emphasis employees believe top management places on beliefs control is the important socialization mechanism since it directly influences goal congruence.

Similar to most studies, there are limitations. This study relies on survey data from 354 respondents. Steps were taken to ensure the reliability of the data (i.e., pretest of instrument, construct, and content validity); however, survey measures contain at least some degree of noise. To partially mitigate this issue we use a SEM that models measurement error. Moreover, we collect most of our data from a single respondent, which is sometimes associated with concerns of common method bias. However, we emphasized procedural remedies (Speklé & Widener, 2017) and all diagnostic tests show that there is no reason to expect bias. We also compute our dependent variable such that it uses both the employee and the Department Operation's Director's response. We acknowledge that this measure may contain noise since we use the Department Operation's Director's ranking of goals as the 'true' measure of importance. However, we contend that this is appropriate since the Director is the highest-ranking employee of the department and, as such, is responsible for setting and ordering its goals. Moreover, this measure asks employees to rank the Department's goals as opposed to asking them to provide their own goals without a prompt. Although perhaps not picking up fully on the individual's goals, ranking the Department's goals still reveals their preference. Moreover, asking for an open-ended list of goals would increase the noise embedded in the measure and present difficulties to categorize across respondents. As with all survey and archival research we cannot completely rule out the potential of a correlated omitted variable; however, we note that research is now concluding that these implications are perhaps overstated ((Speklé & Widener, 2017) and, in some circumstances, adding additional control variables can actually create problems (Swanquist & Whited, 2017). While we are able to rule out potential confounding effects that may arise from the extent to which the firm emphasizes training programs and variations that occur systematically across divisions, our study is limited to three measures of socialization mechanisms, including two types of mentoring, and focuses on one mediating (explanatory) variable. Future research could extend these results by examining a larger set of socialization mechanisms or explanations for why the results hold. We use cross-sectional data from employees in one organization. Although the relations in the path model are substantiated by underlying theory, we cannot empirically demonstrate causality. It is widely held, though, that goal congruence is the desired outcome of control. Moreover, we examine alternative empirical specifications to examine whether other factors (i.e., self-selection, economic instability) might drive our results, the results of which help to identify our model. Finally, the use of one company allows us to avoid confounding factors that may arise from differences across firms; however, caution should be taken when generalizing the results of our study to other settings. We do, though, control for many characteristics of the workforce including national pride, education levels, division, and length of service.

This study contributes to the literature on management control and provides four major insights.

First, we recognize that an organizational-level PMS and related incentives are not the only control mechanisms available to align interests in an organization. We focus instead on socialization mechanisms and, in doing so, we extend the literature on management control. Some firms may subject themselves to increased compensation costs associated with noisy performance measures if they install a PMS and try to achieve goal alignment through incentives. As Merchant (1982) suggests, though, other controls may be useful to achieve goal congruence. We extend the literature by examining the use of socialization mechanisms to achieve goal congruence. We also recognize that employees interact at three different levels; employees interact with top management, supervisors, and with other employees. We find that all three socialization mechanisms are important to establishing the perception employees hold regarding the state of their future with the organization. On average, we find that when employees perceive that (i) top managers better communicate the core values of the organization, (ii) supervisors engage more extensively in mentoring employees regarding future career prospects, and (iii) employees themselves acknowledge and recognize the work of their peers, they achieve higher goal congruence because they perceive that they have a more secure career with the organization. It is commonly espoused that the tone of the organization is set at the top; that top managers have the responsibility for driving behaviors. We find evidence supporting this viewpoint, but we also find that perceptions of social interactions with supervisors and peers are important. Importantly, we show that control mechanisms besides a PMS can be useful to achieve goal congruence and provide insight on the psychological mechanism through which social controls work.

Second, we directly examine the antecedents of goal congruence. Establishing direct associations with contemporaneous performance is difficult and can be misleading. It is well documented that firm performance may be manipulated to achieve performance goals, to attract investors, to secure credit, etc. Thus, the finding that a relation between MCS and firm performance exists may be interpreted in different ways. While management control may positively affect firm performance contemporaneously, this relation may not indicate that long-term performance congruent with stated strategic goals is being pursued or will be achieved that enhances the ultimate objective of increasing shareholder value. On the other hand, we establish that as employees' believe they have a secure career path with the organization, they are more cognizant of the firm's strategic objectives. They understand what the company wants to achieve and what they should be working towards, which, in turn, will help guide employees in their efforts and actions. Furthermore, we find that socialization mechanisms, specifically the beliefs system, superior mentoring, and peer mentoring, create an environment in which employees feel more secure about their long-term prospects and consequently, are more aware of the firm's strategic objectives.

Third, in this age where employees are often "rented" and turn over quickly, goal congruence may be impaired. Employees used to stay at one firm for their entire career. Undoubtedly, their perception that there was a career path available to them, that it was secure, facilitated employees' bonding with their employer and increased the understanding of employees regarding the company's strategic objectives. Now employment is often a "short-term" concept. Herriot and Pemberton (1996) theorize that in the late 1990s the nature of the contract governing employment relationships changed. Although employees desired secure employment with prospects of career advancement, organizations are increasingly moving towards part-time work and flattening of the organization. Consequently, employees believe that the exchange relationship between them and their employers has been breached and instead of being satisfied loyal employees working towards a common goal, are becoming increasingly dissatisfied (Herriot & Pemberton, 1996). Thus, in this age of short-termism, employees

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

may perceive that their career path is not necessarily secure; our study shows that this may result in an increasing gap in goal congruence between employees and their employers.

Finally, our results indicate that the design of the control system will be inefficient if held static across union and non-union employees; all three socialization mechanisms work together to achieve goal congruence in non-union employees while beliefs control is important for union employees. While inefficient, though, the use of all three socialization mechanisms remains effective for managing both types of employees. For non-union employees, the three socialization mechanisms facilitate goal congruence by enhancing employees' perceptions that their career path is stable. For union employees, who already have a more stable career path, socialization mechanisms, specifically beliefs control, work directly to enhance goal congruence. These results extend the findings of Ittner and Larcker (2002), who concluded that union membership affected the choice of performance measures in incentive plans, and Gittell (2000), who concluded that the relationship between union membership and goal congruence is ambiguous, by providing insights on socialization mechanisms.

Acknowledgement

We gratefully appreciate the time and assistance provided by the company participants. We acknowledge helpful comments from Shannon Anderson, Derek Dalton, and Karen Sedatole, and from participants at the 2014 Management Accounting Research Conference in Orlando, FL., the 2014 ABO Conference in Philadelphia, PA., the 2015 Performance Measurement Conference in Nice, France, and the 2016 research workshop at National Chenghi University in Taipei, Taiwan.

Appendix A. Variable scales

Superior Mentoring (MNT) (Ragins & McFarlin, 1990) The items in this section ask you to think about your attitudes toward the organization, country and your work. Using the following 7-point scale, circle the number that best represents your level of agreement with each item. *(1 = strongly agree − 7 = strongly disagree: reverse coded)*

MNT 1	My supervisor provides me with challenging assignments.
MNT 2	My supervisor assigns me tasks that push me into developing new skills.
MNT 3	My supervisor gives me tasks that require me to learn new skills.

Peer Mentoring (PM) (Welbourne, 1995) The items in this section ask you to think about your work environment. Using the following 7-point scale, circle the number that best represents your level of agreement with each item. *(1 = strongly agree − 7 = strongly disagree: reverse coded)*

PM 1	When I notice a fellow employee doing an outstanding job, I congratulate that person.
PM 2	When someone is working at an acceptable level, I let them know.
PM 3	When someone does good work, I let everyone in my work area know it.

Secure Career Path (SCP) (Lee & Wong, 2004) The items in this section ask you to think about your work environment. Using the following 7-point scale, circle the number that best represents your level of agreement with each item. *(1 = strongly agree − 7 = strongly disagree: reverse coded)*

SCP 1	There are adequate career path opportunities for me.
SCP 2	There is an emphasis on your professional development through training.
SCP 3	I am fairly rewarded in this organization.
SCP 4	I receive clear criteria for promotion opportunities.

Beliefs (BLF) (Widener, 2007) The items in this section ask you to think about your work environment. Using the following 7-point scale, circle the number that best represents your level of agreement with each item. *(1 = strongly agree − 7 = strongly disagree: reverse coded)*

BLF 1	Our mission statement clearly communicates Command's core values to our workforce.
BLF 2	Top managers communicate core values to our workforce.
BLF 3	Our workforce is aware of Command's core values.
BLF 4	Our mission statement inspires our workforce.

Goal Congruence The following is a list of 7 goals for the Department in no particular order. Instruction: RANK these 7 goals with 1 being the most important goal by placing your ranking score in the space before the goal. *(shown in survey order: parentheses indicate the company order; survey respondents asked to rank order the importance of the following items)*

Goal 1	To develop a workforce that has the technical competence necessary to support our mission (2).
Goal 2	To mentor employees and develop leaders (3).
Goal 3	To successfully execute workload in our technical capability areas (1).
Goal4	To monitor and maintain health of process measures (7).
Goal 5	To improve quality of life for employees (6).
Goal 6	To develop a value driven (CPI, Quality) organization (effective, efficient) (4).
Goal 7	To identify and improve value processes (5).

Appendix B. Calculation of dependent variable (goal congruence)

Survey question asked employees to rank seven Department goals (1 through 7) with one being highest priority. Note that all employees worked in the same department. Each employee's ranking was compared with those of the Operations Manager that headed up the Department. Examples of the calculations for three employees follow:

Employee 1	1	3	2	7	4	6	5
Operations Manager	2	3	1	7	5	4	6
Difference	−1	0	1	0	−1	2	−1
Squared Difference	1	0	1	0	1	4	1

Sum of the Squared Difference = 8.
Square root of Sum of Squared Diff = **2.828427**.

Employee 2	2	3	1	5	4	6	7
Operations Manager	2	3	1	7	5	4	6
Difference	0	0	0	−2	−1	2	1
Squared Difference	0	0	0	4	1	4	1

Sum of the Squared Difference = 10.
Square root of Sum of Squared Diff = **3.162278**.

Employee 3	4	6	1	5	7	2	3
Operations Manager	2	3	1	7	5	4	6
Difference	2	3	0	−2	2	−2	−3
Squared Difference	4	9	0	4	4	4	9

Sum of the Squared Difference = 34.
Square root of Sum of Squared Diff = **5.830952**.
Procedures are outlined in Vancouver et al. (1994).

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Appendix C

Exploratory Factor Analysis: Factor Loadings for Explanatory Variables.

	Factor 1 SECURE CAREER PATH (SCP)	Factor 2 BELIEFS (BLF)	Factor 3 SUP. MENTOR (MNT)	Factor 4 PEER MENTOR (PM)
SCP1: Adequate career path opportunities	**0.759**	0.218	0.112	0.168
SCP2: Emphasis on professional development through training	**0.708**	0.223	0.272	0.107
SCP3: Fairness of rewards	**0.808**	0.149	0.162	0.028
SCP4: Clear criteria for promotion opportunities	**0.849**	0.208	0.160	0.076
BLF1: Mission statement clearly communicates core values	0.115	**0.867**	0.105	0.042
BLF2: Top managers communicate core values	0.379	**0.701**	0.189	0.087
BLF3: Workforce is aware of core values	0.165	**0.868**	0.079	0.095
BLF4: Mission statement inspires workforce	0.256	**0.734**	0.250	0.065
MNT1: Supervisor provides challenging assignments	0.237	0.180	**0.834**	0.073
MNT2: Supervisor assigns tasks that develops new skills	0.188	0.210	**0.892**	0.130
MNT3: Supervisor gives tasks that requires me to learn new skills	0.188	0.118	**0.849**	0.113
PM1: I congratulate others on doing an outstanding job	0.079	0.050	0.081	**0.815**
PM2: I let others know when they are working at an acceptable level	0.099	0.042	0.158	**0.848**
PM3: I let everyone know when someone is doing good work	0.098	0.101	0.067	**0.851**

Notes: n = 356; Kaiser-Meyer-Olkin measure of sampling adequacy is good (0.861) and the Bartlett test of Sphericity is highly significant (p = 0.000); the item descriptions are abbreviated based on the variable scales found in Appendix A.

References

Abernethy, M. A., & Brownell, B. (1997). Management control systems in research and development organizations: The role of accounting, behavior and personnel controls. *Accounting, Organizations and Society, 22*, 233–248.

Abernethy, M. A., & Stoelwinder. (1991). Budget use, task uncertainty, system goal orientation and subunit performance: A test of the 'fit' hypothesis in not-for-profit hospitals. *Accounting, Organizations and Society, 16*, 105–120.

Akroyd, C., & Maguire, W. (2011). The roles of management control in a product development setting. *Qualitative Research in Accounting and Management, 8*, 212–237.

Allen, T. D., & Eby, L. T. (2003). Relationship effectiveness for mentors: Factors associated with learning and quality. *Journal of Management, 29*(4), 469–486.

Allen, N. J., & Meyer. (1993). Organizational commitment: Evidence of career stage effects? *Journal of Business Research, 26*, 49–61.

Anthony, R. N., & Govindarajan, V. (2007). *Management control systems*. New York, NY: McGraw –Hill.

Ashford, S. J., Lee, C., & Bobko, P. (1989). Content, causes, and consequences of job insecurity: A theory-based measure and substantive test. *Academy of Management Journal, 32*, 803–829.

Baker, W. K. (1995). Allen and meyer's 1990 longitudinal study: A reanalysis and reinterpretation using structural equation modeling. *Human Relations, 48*, 169–186.

Bryson, A., Charlwood, A., & Forth, J. (2006). Worker voice, managerial response and labour productivity: An empirical investigation. *Industrial Relations Journal, 37*, 438–455.

Byrne, B. M. (2001). *Structural equation modeling with AMOS*. London: Lawrence Erlbaum Associates, Inc.

Campbell, D. T., & Fiske, D. W. (1959). Convergent and discriminant validation by the multi-trait-multi-method-matrix. *Psychological Bulletin, 56*, 81–105.

Chao, G. T., Walz, P. M., & Gardner, P. D. (1992). Formal and informal mentorships: A comparison on mentoring functions and contrast with nonmentored counterparts. *Personnel Psychology, 45*, 619–636.

Chatman, J. A. (1991). Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly, 36*, 459–484.

Chenhall, R. H. (2007). Theorizing contingencies in management control systems research. In C. Chapman, A. Hopwood, & M. Shields (Eds.), *Handbook of management accounting research* (Vol. 1). Oxford, UK: Elsevier.

Chenhall, R. H., Hall, M., & Smith, D. (2010). Social capital and management control systems: A study of a non-government organization. *Accounting, Organizations and Society, 35*(8), 737–756.

Cousins, P. D., Lawson, B., & Squire, B. (2008). Performance measurement in strategic buyer-supplier relationships: The mediating role of socialization mechanisms. *International Journal of Operations & Production Management, 28*, 238–258.

Cronbach, L. J., & Gleser, G. C. (1953). Assessing similarity between profiles. *Psychological Bulletin, 50*, 456–473.

Das, T. K., & Teng, B. (2001). Trust, control, and risk in strategic alliances: An integrated framework. *Organization Studies, 22*, 251–283.

Farrell, A. M., Kadous, K., & Towry, K. L. (2008). Contracting on contemporaneous versus forward-looking measures: An experimental investigation. *Contemporary Accounting Research, 25*, 773–802.

Feltham, G. A., & Xie, J. (1994). Performance measure congruity and diversity in multi-task principal/agent relations. *The Accounting Review, 69*(3), 429–453.

Flamholtz, E. G., Das, T. K., & Tsui, A. S. (1985). Towards an integrative framework of organizational control. *Accounting, Organizations and Society, 10*, 35–50.

Galagan, P. (2010). *IBM makes mentoring accessible, simple, and pervasive across its global enterprise*. ASTD. http://www.astd.org/Publications/Newsletters/LX-Briefing/LXB-Archives/2010/05/IBM-Makes-Mentoring-Accessible-Simple-and-Pervasive-Across-Its-Global-Enterprise.

Galbraith, J. (1973). *Designing complex organizations*. Reading, MA: Addison-Wesley Publishing Company.

Gittell, J. H. (2000). Organizing work to support relational co-ordination. *International Journal of Human Resource Management, 11*(3), 517–539.

Goffee, R., & Scase, R. (1992). Organizational change and the corporate career: The restructuring of managers' job aspirations. *Human Relations, 45*, 363–384.

Gordon, M. E., & Ladd, R. T. (1990). Dual allegiance: Renewal, reconsideration, and recantation. *Personnel Psychology, 43*, 37–69.

Govindarajan, V., & Fisher, J. (1990). Strategy, control systems, and resource sharing: Effects on business-unit performance. *Academy of Management Journal, 33*, 259–285.

Gutner, T. (2009). *Finding anchors in the storm: Mentors*. The Wall Street Journal. https://www.wsj.com/articles/SB123301451869117603. Last accessed January 31, 2019.

Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)*. SAGE Publications, Inc.

Hall, M., & Smith, D. (2009). Mentoring and turnover intentions in public accounting firms: A research note. *Accounting, Organizations and Society, 34*, 695–704.

Hammer, T. H., & Avgar, A. (2005). The impact of unions on job satisfaction, organizational commitment, and turnover. *Journal of Labor Research, XXVI*, 241–266.

Hannan, R. L., McPhee, G. P., Newman, A. H., & Tafkov, I. D. (2013). The effect of relative performance information on effort allocation and performance in a multi-task environment. *The Accounting Review, 88*(2), 553–575.

Heathfield, S. M. (2014). 20 ways Zappos reinforces its company culture. About.com human resources. http://humanresources.about.com/od/organizationalculture/a/how-zappos-reinforces-its-company-culture.htm.

Heinicke, A., Guenther, T. W., & Widener, S. K. (2016). An examination of the relationship between the extent of a flexible culture and the levers of control system: The key role of beliefs control. *Management Accounting Research, 33*, 25–41.

Herriot, P., & Pemberton, C. (1996). Contracting careers. *Human Relations, 49*, 757–790.

Ittner, C. D., & Larcker, D. F. (2002). Determinants of performance measure choices in worker incentive plans. *Journal of Labor Economics, 20*, S58–S90.

Kaplan, R. S., & Norton, D. P. (2001). Transforming the balanced scorecard from performance measurement to strategic management: Part I. *Accounting*

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004

Horizons, 15(1), 87–104.
Kennedy, F., & Widener, S. K. (2008). A control framework: Insights from evidence on lean accounting. *Management Accounting Research, 19*, 301–323.
Kline, P. (1998). *The new psychometrics: Science, psychology, and measurement*. Psychology Press.
Kline, R. B. (2011). *Principles and practice of structural equation modeling*. Guilford press.
Kraimer, M. L. (1997). Organizational goals and values: A socialization model. *Human Resource Management Review, 7*, 425–447.
Kram, K. E. (1983). Phases of the mentor relationship. *Academy of Management Journal, 26*(4), 6080625.
Kram, K. E., & Isabella, L. A. (1985). Mentoring Alternatives: The role of peer relationships in career development. *Academy of Management Journal, 57*(2), 460–466.
Lanen, W. N., Anderson, S. W., & Maher, M. W. (2011). *Fundamentals of cost accounting* (3rd ed.). New York, NY: McGraw-Hill/Irwin.
Lankau, M. J., & Scandura, T. A. (2002). An investigation of personal learning in mentoring relationships: Content, antecedents, and consequences. *Academy of Management Journal, 45*(4), 779–790.
Lee, S. H., & Wong, P. K. (2004). An exploratory study of technopreneurial intentions: A career anchor perspective. *Journal of Business Venturing, 19*, 7–28.
Lester, R. (1987). Organizational culture, uncertainty reduction and the socialization of new organizational members. In S. Thomas (Ed.), *Culture and communication: Methodology, behavior, artifacts and institutions* (pp. 105–113). Norwood, NJ: Ablex.
Louis, M. R. (1980). Surprise and sense making: What newcomers experience in entering unfamilar organizational settings. *Administrative Science Quarterly, 25*, 226–248.
Luft, J., & Shields, M. D. (2003). Mapping management accounting: Graphics and guidelines for theory-consistent empirical research. *Accounting, Organizations and Society, 28*, 169–249.
Major, D. A., Kozlowski, S. W. J., Chao, G. T., & Gardner, P. D. (1995). A longitudinal investigation of newcomer expectations, early socialization outcomes, and the moderating effects of role development factors. *Journal of Applied Psychology, 80*, 418–431.
Malmi, T., & Brown, D. (2008). Management control systems as a package—opportunities, challenges and research directions. *Management Accounting Research, 19*, 287–300.
Marginson, D. (2008). Value systems as a mechanism for organizational change. *Journal of Accounting and Organizational Change, 5*, 734.
Merchant, K. A. (1982). The control function of management. *Sloan Management Review, 23*, 43–55.
Mignerey, J. T., Rubin, R. B., & Gorden, W. I. (1995). Organizational entry: An investigation of newcomer communication behavior and uncertainty. *Communication Research, 22*, 54–85.
Nunnally, J., & Bernstein, I. (1994). *Psychometric theory* (3rd ed.). New York: McGraw-Hill.
Ostroff, C., & Kozlowski, S. W. J. (1993). The role of mentoring in the information gathering processes of newcomers during early organizational socialization. *Journal of Vocational Behavior, 42*, 170–183.
Otley, D. T. (1980). The contingency theory of management accounting: Achievements and prognosis. *Accounting, Organizations and Society, 5*, 413–428.
Ouchi, W. G. (1977). The relationship between organizational structure and organizational control. *Administrative Science Quarterly, 22*, 95–113.
Ouchi, W. G. (1979). A conceptual framework for the design of organizational control mechanisms. *Management Science, 25*, 833–848.
Ouchi, W. G. (1980). Markets, bureaucracies, and clans. *Administrative Science Quarterly, 25*, 129–141.
Pagell, M., & Handfield. (2000). The impact of unions on operation strategy. *Production and Operations Management, 92*, 141–157.
Pearce, J. A. (1982). The company mission as a strategic tool. *Sloan Management Review, 23*(3), 15–24.
Platts, K. W., & Sobotka, M. (2010). When the uncountable counts: An alternative to monitoring employee performance. *Business Horizons, 53*, 349–357.
Podsakoff, P. M., MacKenzie, S. B., Lee, J., & Podsakoff, N. P. (2003). Common method biases in behavioral research: A critical review of the literature and recommended remedies. *Journal of Applied Psychology, 88*, 879–903.
Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Mangement, 12*(4), 531–544.
Ponemon, L. A. (1992). Ethical reasoning and selection –socialization in accounting. *Accounting, Organizations and Society, 17*, 239–258.
Preacher, K. J., & Hayes, A. F. (2004). SPSS and SAS procedures for estimating indirect effects in simple mediation models. *Behavior Research Methods, Instruments, & Computers, 36*, 717–731.
Ragins, B. R., & Cotton, J. L. (1999). Mentor functions and outcomes: A comparison of men and women in formal and informal mentoring relationships. *Journal of Applied Psychology, 84*, 529–550.
Ragins, B. R., & McFarlin, D. B. (1990). Perceptions of mentor roles in cross-gender mentoring relationships. *Journal of Vocational Behavior, 37*, 321–339.
Rock, D., & Jones, B. (2015). *Why more and more companies are ditching performance ratings*. Harvard Business Review. Sept 8 Issue.
Rockness, H. O., & Shields, M. D. (1984). Organizational control systems in research and development. *Accounting, Organizations and Society, 9*, 165–177.
Saks, A. M. (1996). The relationship between the amount and helpfulness of entry training and work outcomes. *Human Relations, 49*, 429–451.
Saks, A. M., & Ashforth, B. E. (1997). Organizational socialization: Making sense of the past and present as a prologue for the future. *Journal of Vocational Behavior, 51*, 234–279.
Schein, E. H. (1990). *Career anchors: Discovering your real values*. San Diego. CA: University Associates.
Schumacker, R. E., & Lomax, R. G. (1996). *A beginner's guide to structural equation effects in structural equation modeling*. Mahwah, NJ: Erlbaum.
Sedatole, K., Swaney, A., & Woods, A. (2014). *The implicit incentive effects of horizontal monitoring and team member dependence on individual performance* (Working Paper).
Simons, R. (1995). *Levers of control*. Boston, MA: Harvard Business School Press.
Snell, S. A., & Dean, J. W. (1992). Integrated manufacturing and human resource management: A human capital perspective. *Academy of Management Journal, 35*(3), 467–504.
Sobotka, M., & Platts, K. W. (2010). Managing without measuring: A study of an electricity distribution company. *Measuring Business Excellence, 14*, 28–42.
Sorensen, J. E. (1967). Professional and bureaucratic organization in the public accounting firm. *The Accounting Review*, 553–565.
Speklé, R. F., & Widener, S. K. (2017). *Troubling questions for survey research: Putting things back in perspective*. Nyenrode and Clemson Universities. Working Paper.
Stenfors-Hayes, T., Kalén, S., Hult, H., Dahlgren, L. O., Hindbeck, H., & Ponzer, S. (2010). Being a mentor for undergraduate medical students enhances personal and professional development. *Medical Teacher, 32*(2), 148–153.
Swanquist, Q. T., & Whited, R. L. (2017). *Out of control: The use and misuse of controls in accounting research* (Working Paper).
Towry, K. L. (2003). Control in a teamwork environment—the impact of social ties on the effectiveness of mutual monitoring contracts. *The Accounting Review, 78*, 1069–1095.
Traugh, C. W. (2013). *Motivational triggers' influence on union and non-union employees in manufacturing – a quantitative predictive model*. University of Phoenix. Dissertation.
Van Maanen, J., & Schein, E. H. (1979). Toward a theory of organizational socialization. *Research in Organizational Behavior, 1*, 209–264.
Vancouver, J. B., Millsap, R. E., & Peters, P. A. (1994). Multilevel analysis of organizational goal congruence. *Journal of Applied Psychology, 79*, 666–679.
Viator, R. E. (2001). The association of formal and informal public accounting mentoring with role stress and related job outcomes. *Accounting, Organizations and Society, 26*(1), 73–93.
Welbourne, T. M., Balkin, D. B., & Gomez-Mejia, L. R. (1995). Gainsharing and mutual monitoring: A combined agency-organizational justice interpretation. *Academy of Management Journal, 38*, 881–899.
Whetten, D. A. (1989). What constitutes a theoretical contribution? *The Academy of Management Review, 14*, 490–495. Whole Foods, Annual Report, Pg. 2, Available online at: https://www.wholefoodsmarket.com/sites/default/files/media/Global/Company%20Info/PDFs/2012-WFM_Annual_Report.pdf. Last accessed January 31, 2019.
Widener, S. K. (2007). An empirical investigation of the levers of control framework. *Accounting, Organizations and Society, 32*, 757–788.
Widener, S. K., Shackell, M. B., & Demers, E. A. (2008). The juxtaposition of social surveillance controls with traditional organizational design components. *Contemporary Accounting Research, 25*, 605–638.

Please cite this article as: Kennedy, F. A., & Widener, S. K., Socialization mechanisms and goal congruence, Accounting, Organizations and Society, https://doi.org/10.1016/j.aos.2019.01.004