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Achieving the Competitive Drive to Win in the Work Environment

For Improving the Company Performance

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<p>The objective of this thesis was to build an implementable system for increasing “the competitive drive to win” in the case company. Employees already show this behavior in the team building activities so it’s a missed opportunity not trying to transform the same behavior into the work environment. The case company is an ecommerce SME and has 40 employees working remotely in the Philippines, China and Singapore. Most of the employees are Asian.</p> <p>The research approach for the thesis was mainly design research and applied action research. The purpose of the study was not only to understand but to change the situation at the case company. The sources included surveys, interviews, a pilot, workshops and discussions and the whole organization participated in at least some of these.</p> <p>The current state analysis identified nine different categories of issues why this behavior is not already showing in the daily work. The main reasons were the lack of competitive elements and supportive team structure. It is not realistic to expect competitive behavior if people do not view the work environment as a competition. The employees mentioned they are mainly motivated by money but there is no incentive program in place. These issues were addressed in the proposal.</p> <p>The case company felt the proposal has the potential to make a big impact on the company performance and improving the company culture. The initial reactions from the employees were positive. This system is not only useful for the case company but can be applied as such to a similar ecommerce company operating on Amazon.</p>	
Keywords	Company performance, employee performance, gamification, incentive program, virtual teams, competitiveness, purpose

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1 Introduction

This thesis is focused on improving the company performance by increasing “the competitive drive to win” among employees who are mainly in the Philippines, China and Singapore. For sake of clarity, in this thesis “the competitive drive to win” reflects the notion when people are really driven, engaged, razor-sharp focused and creative while working together towards a common goal. People push themselves beyond their limits and are willing to go the extra mile for their team. The employees demonstrate this characteristic in annual company summits in team-building competitions. These events have shown the employees are really passionate about working together in order to win a competition. Not a single person shows a sign of distancing from the task. Instead people immediately self-organize and start throwing ideas how to win the competition. Team members naturally brainstorm about their competitive advantage, strategize and take responsibility for tasks voluntarily. However, this characteristic is not shown in the day-to-day work. This is a missed opportunity for increasing company performance, employee engagement and collaboration.

The case company has already put significant effort into employee motivation, happiness, performance metrics and targets. Therefore, the solution might not be simple because the work environment already consists of many things that are traditionally associated with a great organization. According to employee satisfaction surveys the employees are already quite motivated and happy. But something is still missing. People are the greatest asset of this company and if it succeeds in building the competitive drive to win in the company culture then it can have a tremendous impact on the performance.

The company is still at its infant phase. It was founded in 2014 and the first employee was hired in June 2015. The foundation of the company is solid even though it has experienced rapid growth. The business world is changing rapidly, and a typical top-down hierarchy is too slow to adapt to changes according to today’s standards. Therefore, the companies that have this “competitive drive to win” built-in are most likely to succeed in the long-term. It is not enough that a few individuals or even teams demonstrate this characteristic. It has to be shown throughout the whole company.

1.1 Business Context

This thesis is conducted for a SME company that has several business functions. The main business function is the selling of educational games and toys such as cubes, puzzles and different types of brain teasers under the brand AGL. The company has around 40 employees working remotely in the Philippines, China and Singapore.

The products are sold globally on Amazon marketplaces using their fulfilment centers. AGL is one of the brands and business functions that the SME company owns and manages. The aim of the brand is to be customer oriented which means a great deal of effort is put into providing outstanding customer service, stellar packaging and a brand message that speaks to the customer and invites the customer for engagement - and potentially builds customer and brand loyalty.

The company has a purpose that not only speaks to its customers – but also to the employees. The purpose of the company makes employees motivated and feel they are working for the greater good. The company is an advocate of family values such as gadget free parenting and creative play.

1.2 Business Challenge, Objective and Outcome

The business challenge is that employees do not show the same “competitive drive to win” at work that they show in the team building activities. This is a missed opportunity for increased performance. Some individuals and teams have shown this drive occasionally but in order to have a big impact it has to be companywide.

The objective of the thesis is *to propose an implementable system for achieving the “competitive drive to win” in the work environment* in order to increase performance. In the future, the whole system needs to be validated in practice as otherwise it might work only in theory and not in the context of the case company. This means the system has to be used at least in some of the teams.

The outcome is a proposal for the implementable system for increasing “competitive drive to win” in the work environment. The system has to be implementable as otherwise it has no value.

1.3 Thesis Outline

This thesis was carried out using current state analysis. It started from defining the current state of the issue of lacking “competitive drive to win” in the case company. Section 1 describes why this behavior is important to achieve and how it could potentially result into a significant impact for the case company in terms of increased performance. Section 2 describes the research approach and design used in this thesis, and why these specific methods were chosen.

The starting point for analyzing the case company issue was the current state analysis. Section 3 shows why the issue exists and what are the effects that happen as a result. The current state analysis guided the direction for the literature. Section 4 introduces the relevant ideas that were found from literature based on the current state analysis. The literature on the topic is vast so this section narrows down the focus on what is useful for building the proposal for an implementable system.

The proposal that was developed as a result is described in Section 5. It shows how it will solve the issues by addressing the elements found in the current state analysis. Section 6 goes through the validation process. There was a pilot that demonstrates the practicality of the new team structure. The key stakeholders were asked for feedback on the proposal.

Section 7 concludes the thesis by summarizing the outcome and suggested next actions for the case company to take in order to maximize the odds for achieving the desired outcome. It shows how the thesis was evaluated in terms of validity and reliability.

2 Method and Material

This section describes the research approach, data collection and analysis methods used in this thesis.

2.1 Research Approach

There are qualitative and quantitative research approaches. Qualitative research (Kananen: 31) is best suited when there is no information on the phenomenon as it is a new research object and the goal is to get a more in-depth view of the phenomenon. Qualitative research is based on words and sentences whereas quantitative uses numbers and statistics. Qualitative research does not aim to generalize in the same manner as quantitative research.

Different types of research approaches are design research, action research and case study. Kananen (2017: 27) describes design research like “a philosophic umbrella of science” that consists of data gathering, analysis and interpretation methods. Both design and action research aim to make a change or improvement, but in action research the researcher participates in the operations and takes an active role in taking action, doing research and making change happen all at the same time (Kananen 2017: 44).

Blichfeldt & Andersen (2006: 2) describe Action research as a method to tie practice and theory more closely together. It is a means to investigate changes and their effects by not distancing the researcher from the world of action.

Understanding phenomena in the real-world setting is important for both case study and action research (Blichfeldt & Andersen 2006: 3). The difference is that there is a bigger participant role in action research for defining the targeted issues (Blichfeldt & Andersen 2006: 4).

Dubé & Paré (2003: 598) define case research as useful when the phenomenon is broad and complicated. Baxter & Jack (2008: 545) define one benefit of the qualitative case study as having a close collaboration between the researcher and participant. It is most

suitable when the aim is to answer “why” and “how”, there is no possibility for the researcher to manipulate the behavior, and the context and phenomenon are strongly linked.

Below is Table 1 from Kananen (2017: 29) comparing different research approaches.

Table 1. Table 1 shows classification of different research approaches and methods (Kananen 2017: 29).

TABLE 1. Classification of different research approaches and methods including their characteristics					
Factor	Research Approaches		Researches with Multiple Approaches Researches with Multiple Strategies		
	Qualitative Research	Quantitative Research	Case Research	Design Research	Action Research
Relationship between Theory and Practice	Induction or from practice to theory	Deduction or from theory to practice	Abduction	Abduction	Abduction or interaction between theory and practice
Purpose of Research	Understanding	Generalisation Prediction	Understanding	Change	Intervention Change
Researcher's Role	External participant	External observer	External participant	External participant	Active actor
Research Questions	Open questions Theme interview	Structured questions	Mainly open questions	Mainly open questions	Mainly open questions
Responses	Text descriptive	Numbers quantitative	Open	Open	Open

Table 1 from Kananen (2017: 29) shows how some of the research approaches are similar to each other and how a research can use several different research approaches. The factors for assessing the type as seen from the left column are the relationship between theory and practice, purpose of research, researcher's role, questions and responses.

In this study, the research carried out in the study was mainly qualitative. It was an empirical study and started from practice (induction) as opposed to theory (deduction) and the purpose of understanding. It started with a practical problem aiming at a practical solution. There was a lot of interaction with all the participants and the author also took an active role as a participant. The aim was to carry out a change in the organization emphasizing action and active collaboration.

It was very similar to action research consisting of many parts typical for the method - like diagnosing, planning, taking action and evaluating - but the difference was that there was only one cycle. Therefore, it was not a cyclical process. This was mainly due to the limited time in use to complete the study.

The research approach for the thesis was mainly design research and applied action research. The purpose of the study was not only to understand but to change the situation at the case company. The author's role was mainly to be external participant but, in some cases, also an active actor. In that sense it had aspects of action research. The questions were mainly open questions. However, there were surveys carried out that had also structured questions with numerical answers.

2.2 Research Design

Figure 1 below shows the research design process.

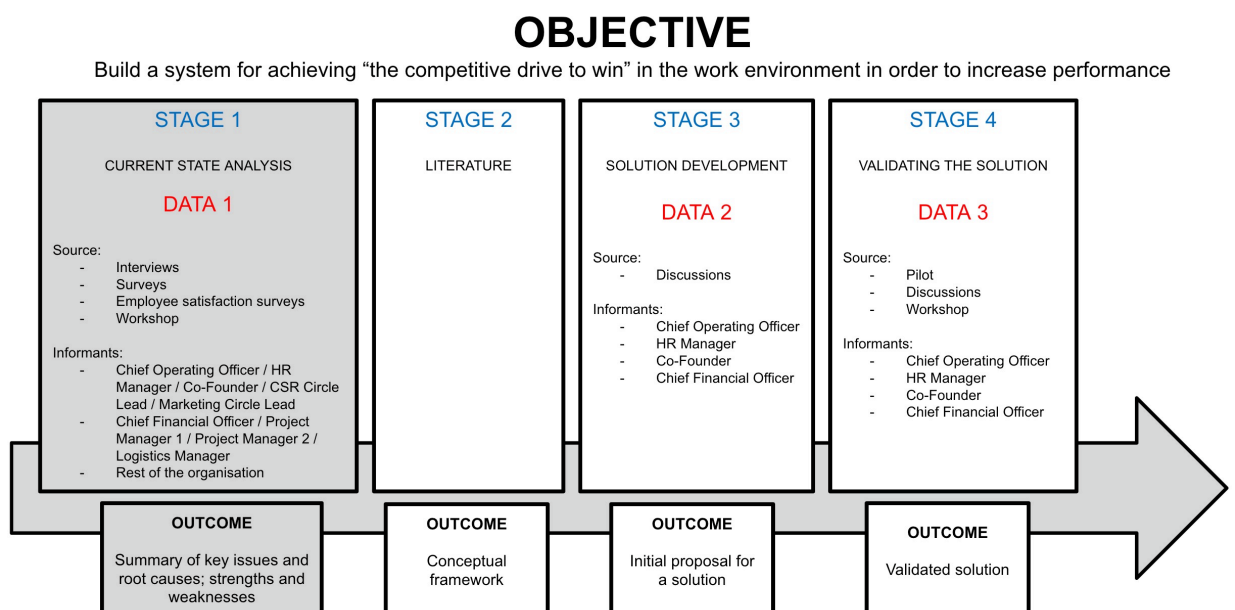


Figure 1. Research design of this study.

As seen from Figure 1, there are four stages. The stage 1 is the current state analysis. Sources for Data 1 are interviews, surveys, an employee satisfaction survey and a workshop. The informants were the whole organization. The outcome is a summary of the key issues and root causes, and strengths and weaknesses. The second stage includes literature and the outcome is the conceptual framework. The third stage is the solution development where the source are discussions together with mainly the top management. The outcome is an initial proposal for a solution. The fourth stage is validating the solution with Data 3. The source is a pilot, discussions and a workshop. Informants are mainly the top management.

2.3 Data Collection and Analysis

This study draws from a variety of data sources and collected data in several data collection rounds. Below is a Table 2 to briefly overview data collections 1-3 for the study. It shows the important variables for describing the data.

Table 2. Details of interviews, workshops and discussions in Data1-3

	Participants / role	Data type	Topic, description	Date, length	Documented as
Data 1, for the Current state analysis (Section 3 or 4)					
1	Respondent 1: HR Manager	Skype call	Interview about current issues based on the respondent's experiences as a cooperation initiator	Jan 2019, 75min	Field notes and recording
2	Respondent 2: COO	Skype call	Interview about current issues based on the respondent's experiences as a cooperation initiator	Jan 2019, 75min	Field notes and recording
3	Respondent 3: Lead, Marketing	Skype call	Interview about current issues based on the respondent's experiences as a cooperation initiator	Jan 2019, 45min	Field notes and recording
4	GC Team	Skype call	Workshop / brainstorming about current issues and solutions	Jan 2019, 45min	Field notes, document and recording
5	Respondent 4: Lead, CSR	Skype call	Interview about current issues based on the respondent's experiences as a cooperation initiator	Jan 2019	Field notes and recording
6	Respondent 5: Co-Founder	Skype call	Interview about current issues related to the respondent experiences	Jan 2019	Field notes and recording
8	Respondent 7: CSR	Skype call	Interview about current issues related to the respondent experiences	Jan 2019	Field notes and recording
9	All employees	Survey	Satisfaction survey with all employees	Jan 2019	Document
10	All employees	Survey	Existing employee satisfaction survey		Document
Data 2, for Proposal building (Section 5)					
11	Participants 9-12:	Workshop	Proposal building	Mar 2019	Field notes, document and recording
12	Participants 9-12:	Workshop	Proposal approval	Mar 2019	Field notes, document and recording
Data 3, from Validation (Section 6)					
14	Participants 9-12:	Workshop	Validation, evaluation of the proposal	Apr 2019	Field notes, document and recording

As seen in Table 2, data for this project was collected in three rounds. Data 1 round was conducted for the current state analysis. This included interviews with key people in the company, employee surveys and a workshop to identify the current issues.

Data 2 round shows how the proposal was developed. Workshops were held with the key stakeholders to make sure the proposal included broad viewpoints from many people in the company and addressed the issues properly. All suggestions for developing the proposal were taken into consideration. Next the solution was approved to be taken into use by the key stakeholders. After that a pilot started.

In the next round, Data 3 was collected to gather feedback from the case company for evaluating impacts of the pilot. This data included evaluating the impact with key stakeholders.

In this study, the interviews made the primary method of data collection. The interviews were conducted as semi-structured, Skype call interviews, held remotely, with the majority of the questions created in advance. The questions for the interviews can be found in the Appendices 1-2. The interviews were recorded, and the field notes taken. The field notes (or summaries of field notes) of interviews can be found in the Appendix 3.

Data 1 included also an internal document. Quarterly employee satisfaction survey document was used in the current state analysis. The document was analyzed for the current state analysis, Data collection 1, to see if any patterns emerged. All data were analyzed using Thematic and content analysis.

The biggest part of data analysis was done for the current state analysis stage, to establish the current state of the issues in the case company. The findings from the current state analysis are discussed in Section 3 below.

3 Current State Analysis of Employees' Competitive Drive at the Case Company

This section discusses the results from the current state analysis investigating the issue why employees currently do not show “the competitive drive to win” at the case company. First, this section overviews the footsteps of the current state analysis conducted, the rationale behind the choices made, and the objectives sought after. After that, it illustrates the description and analysis of the current issues. Furthermore, the description and analysis of the current practices are presented. Subsequently, strengths and weaknesses of the company are identified. Finally, this section ends with key findings discovered from the current state analysis.

3.1 Steps in the Current State Analysis (CSA) and Data Collection

The goal of the current state analysis was to explore the issue why “the competitive drive to win” lacks in the case company and how does it show. The current state analysis (CSA) was conducted in three steps. In order to analyze the issue thoroughly, the following steps were taken.

First, to have rich data inputs from different perspectives, the stakeholders were selected so that each of them is an expert in their respective role and is involved in the current practices and services in the company. The stakeholder interviews were conducted on different levels in the case organization, namely, together with Human Resources Manager (HR), Marketing Team Lead, Chief Operating Officer (COO), Co-Founder and Customer Service Team Lead.

The interviews were conducted to clearly identify challenges with “the competitive drive to win”; why they exist and how they appear in the daily action. The data collection was based on the interviews and also the relevant documents and materials provided by them. The themes of the interviews with these stakeholders were prepared by listing questions aimed to identify details about the issue such as employee motivation, competitive spirit, strengths and weaknesses, challenges faced by the different teams, company culture and targets, and goals. The interviews were conducted through one-to-one semi-structured interviews with the selected key stakeholders focused on discussing the current practices in the case company. While conducting the interviews, voice recordings were used.

Secondly, alongside conducting the interviews, an existing employee satisfaction survey was studied to check for insights. After that, a survey was carried out with the entire personnel. The survey was formulated to avoid leading questions so that employees could answer in their own words and according to their knowledge. The questionnaire template can be found in Appendix 1.

Thirdly, a workshop was held together with the key stakeholders to further brainstorm about the issue of lacking “the competitive drive to win”. Interviews and discussions were carried out with five people. A workshop was held to further dig deeper into the issue and possible solutions with six people. The workshop questionnaire template can be found in Appendix 2. The summary of the field notes is shown in Appendix 3.

Based on the findings, the strengths and weaknesses of the current practices in the company are summarized. The goal in the data collection phase was to present a holistic view on the issue of lacking “the competitive drive to win”.

3.2 Case Company Background and Context Description

This section describes the current situation in the case company. Organizational structure is described in the first subsection. Teams and working methods are further explained in the second subchapter. The company culture and expectations for the employees are described in the third subchapter.

3.2.1 Organizational Structure

There are 40 employees working remotely for the case company in the Philippines, China and Singapore. Everyone is working remotely so there is no office. There are four different teams. Team #1 is responsible for marketing activities. Team #2 handles research and development. Team #3 takes care of customer service. Additionally, there is a fourth team called “General Circle” whose main role is to provide the company with the direction and strategy. It includes HR, Chief Financial Officer (CFO), Logistics Manager and COO.

Apart from the founders and COO all people are Asians. This means the cultural differences bring their own challenges.

3.2.2 Team Structure, Targets and Goals

Each team has its own areas of responsibilities, targets and Key Performance Indicators (KPIs). Each team has a lead (Circle Lead) responsible for prioritizing the work and leading the team. The company follows a quarterly planning method where there is a long-term (one year and 3-5 years direction) plan which is broken down to quarters. Once per quarter the next 90-day period is planned in more detail by every team. The company chooses 3-5 big things to be achieved during the next quarter and every team has to contribute to those in one way or another. How they do that is up for the team to decide. Each team holds a demo, retrospective and a planning session once a week (1,5 hours). Additionally, they have 15-minute daily calls for synchronization.

Each team has KPIs. Also, KPIs exist not only for each team but also for individual team members. This gives freedom for people to choose how they spend their day since they are mainly measured and evaluated by the KPIs. The results are pulled together into an executive summary spreadsheet that shows the KPIs for every team and member. By default, everything is transparent which increases peer-to-peer pressure.

People have quarterly performance evaluations and they are assessed in two areas: performance (how well they do their work) and core values (how well they abide the core values). This means even if a person is doing great on task level but failing with the core values - or vice versa - then there is a chance that the person is let go in case there is no improvement.

3.2.3 Company Culture and Expectations for the Employees

One goal for the company is to become completely self-organizing using Holacracy so that there would be no dependency on any single person. Holacracy is a self-management practice for organizations. Every person has the mandate to make decisions affecting their role and is expected to take full responsibility for fulfilling their role the best way possible. Limitations and restrictions are implemented as needed. This is by no means an easy environment for employees and does not suit everyone, because there is no way to escape accountability. There is nobody to blame or hide behind when expectations and targets are not met.

There are five core values in the company. The first one is “Deliver WOW in everything”. The second one is “Take responsibility”. “Learn & drive positive change” is the third core value. The fourth one is “Collaborate openly and honestly” and the last one is “Commit to mastery”. Talking about these core values starts already in the hiring process during job interviews. Employee candidates are evaluated by how good a cultural fit they might be if hired. On the daily calls team members describe how they have acted upon a core value recently. Therefore, it is not ungrounded to say that the company puts a lot of attention to these core values.

People are given full responsibility and a typical Filipino might be rather reluctant to take that responsibility since this culture is so accustomed to a top-down hierarchy where the role of a manager is telling people what to do without doing much work themselves. A typical Filipino employee is not given much room for creativity and a chance to make an impact. Instead they might be blindly following orders.

What is known is that some of the employees are very driven, while some are not. But there is not a single team where the competitive nature is high.

3.3 Findings from the Data Collection 1

Findings from the data collection are categorized into different groups. Figure 2 below shows a visual representation of the findings.

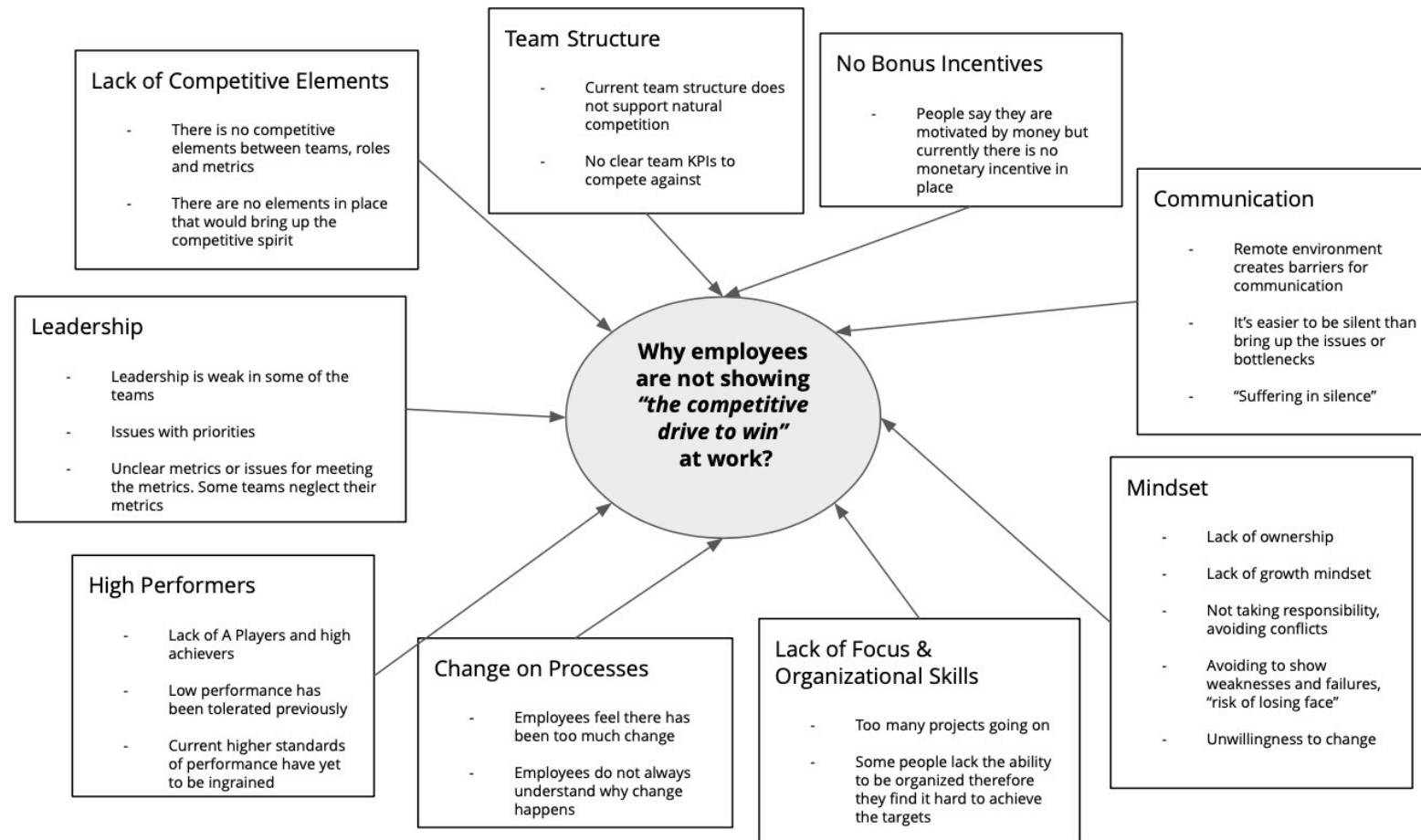


Figure 2. The findings grouped in nine different categories.

As depicted in Figure 2, the top three categories were: (a) the *Lack of competitive elements* set between the teams and roles, (b) *Team structure does not support competitiveness*, and (c) *No bonus incentives exist*. During the current state analysis, these three categories were identified to be the biggest reasons for the lack of “competitive drive to win”. Other categories were *Communication*, *Mindset*, *Lack of focus* and *Lack of organizational skills*, *Change on process*, (lack of A-players) *High achievers* and *Leadership*.

3.3.1 Lack of Competitive Elements and Team Structure Not Supporting Competitiveness

The first issue found in the research is that there exists a *Lack of competitive elements* in the work environment. Employees do not perceive their work or role as a competition. They do not feel like they are taking part in any kind of competition. They have their KPIs that they need to improve but they are working mostly alone on those metrics and there lacks any kind of energetic competitive spirit based on those. This makes it hard for the competitive drive to naturally emerge.

Another important finding was that the current *Team structure does not support competition*. It came evident early on in the interviews that the current team setup is not necessarily ideal for the competitive behavior to emerge. If there exist no competitive elements in the company or in the team structure, then this behavior can hardly emerge if the environment does not support it.

Presently, teams are not competing against each other since they are all doing different type of work that is not directly comparable. One team is focused on finding new product ideas and sourcing the products from suppliers whereas another team is focused on marketing existing products. Individual employees are more focused on improving their own metrics instead of coming together as a team to beat another team or competitor. This means the company is not utilizing the collective nature of the Asian culture where people work best together.

Currently, the responsibility of the product lifecycle for launching a new product to the market is divided between the teams. This means there are handovers from one team to another. This is a limiting factor for those teams to compete against each other since they are not able to complete the whole lifecycle on their own. Below is Figure 3 illustrating the product lifecycle.

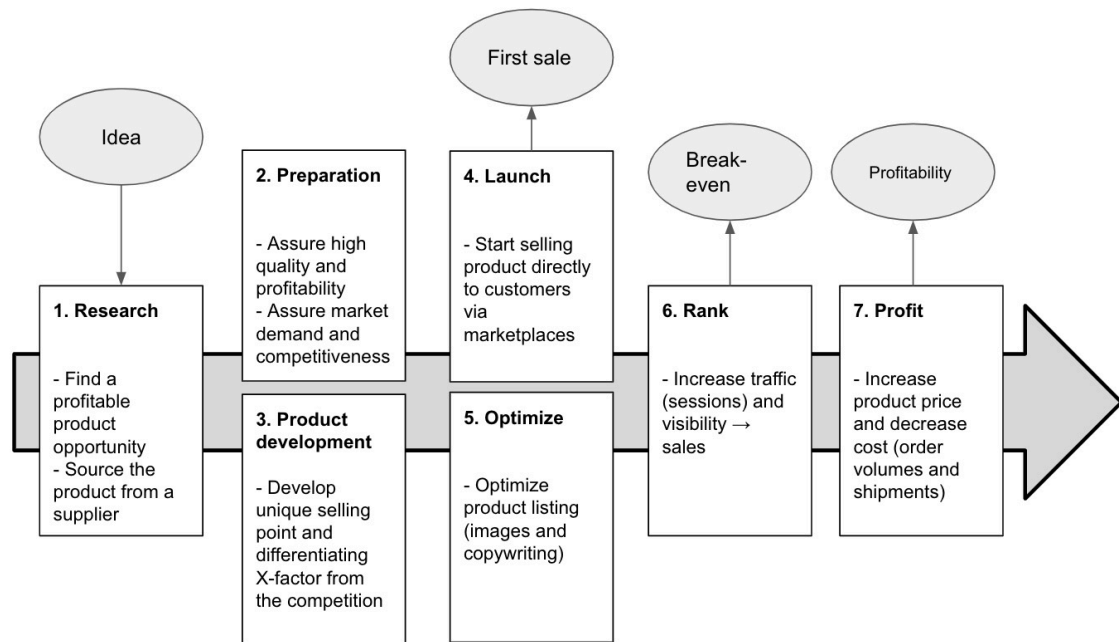


Figure 3. The product lifecycle.

As seen from Figure 3, the product lifecycle consists of seven different stages. The goal is to get a product through the lifecycle as quickly as possible. Typically, it takes a few months to go from the first stage to the seventh stage, and maximum one year. First an idea is born, and then the *Research* process begins by finding a profitable product opportunity and sourcing the product from a supplier. It might also happen that it goes vice versa; an idea is found during the research process. The second stage is *Preparation* where the goal is to assure that high quality and profitability is feasible. This is done in parallel together with *Product development* where the goal is to develop a unique selling point and an “X-factor” in order to differentiate from the competition. Many product ideas are killed at this point before reaching the fourth stage, because the criteria for launching a product is deliberately kept high in order not to waste money on products “doomed-to-fail”.

The fourth stage is *Launch* where a product is “tested” on one market only, typically on Amazon.com in the US. It goes in parallel with the fifth stage, *Optimize*, to make sure the offer (mainly images and copywriting) is as good as possible. The key metric is conversion which means how many visitors on the product listing page end up buying the product. The sixth stage is *Rank* where the goal is to increase traffic and visibility which then lead to sales. At this stage the break-even point for the investment is usually reached.

The seventh stage is *Profit* which aims to increase the profit margin by increasing the product selling price and decreasing cost and expenses.

Some of the stages happen in parallel and it also might happen that a product goes back to the previous stage if an issue is noticed. Basically, the seventh stage never stops. It is possible to keep on optimizing the profit endlessly.

3.3.2 No Bonus Incentives for Increased Performance

It turned out from the survey conducted with all the employees that money is the biggest motivating factor in their view. However, currently there exist *No bonus incentives* to reward people for meeting or overachieving targets. Moneywise it makes no difference whether they meet or fail to meet their targets. There is no gamification system using monetization in place either.

According to the employees, this is something that is needed to be in place for any kind of competition. Any kind of decent competition would need to have at least some kind of a reward; preferably money.

3.3.3 Leadership, Performance and Clarity

Previously, low performance has been tolerated in some of the teams which has had an impact on deteriorating the working culture. Even though the low performers have been fired for not meeting the current high standards, those higher standards have not quite ingrained yet.

Some of the team leaders do not demonstrate the characteristics of a strong leader which has resulted into the team getting confused about their goals and priorities. If a team is confused it does not have very good odds to succeed.

Overall, it is fair to say that there is a lack of *High achievers and grade A-players* in the company; people who are willing to go the extra mile.

3.3.4 Lack of Proper Skills and Mindset to Work in a Remote Environment

Communication is a big challenge in the company since it is a remote working environment. It is much more challenging than a typical office setup. People lack the daily face-to-face interaction that they would naturally have in an office environment. It was identified that a few of the employees lack the *Proper mindset for working* in this kind of remote environment. These kinds of people would require excessive amounts of hand-holding and nurturing in order to succeed.

The founders expect people to take responsibility and grow the business, but some people just fail to meet those given standards due to the lack of *Proper skills*. This kind of remote environment requires very good organizational skills and ability to change the course even rapidly when needed. It requires the ability to proactively make things happen, chase people if needed, not wait passively for answers but to research on your own, keep a curious mind, and take full responsibility of your given task. You cannot rely on someone to give full, detailed instructions but instead you figure things out on your own. Excuses are not tolerated. This definitely does not suit all, and those people feel there is too much change going on all the time.

The company expects people to do things quickly and in an organized manner. The company puts much effort on planning things well (on a weekly and quarterly basis) and expects all employees to do the same. Some employees have requested to get a full blueprint and detailed action plan before starting on their tasks, but the leaders emphasize this is a sheer impossibility, because the market and Amazon changes rapidly.

According to the Co-Founder, any “perfect blueprint” you do today might be outdated in six months. This puts pressure on the employees to have the capabilities to research things on their own and act accordingly. This is more about instilling to the employees “the owner’s mentality” where the employees care deeply what happens in the company rather than considering their job as just another job with its limitations.

3.4 Analysis of Strengths

The main strength of the company is that people say they feel *Being part of a great team and family*. They are very thankful how the company invests into their development and training. They also feel connected with the *Company purpose and its values*. *The company culture* is an integral part of this with the core values. People say they feel good by

the *Rewards and recognitions program* (monthly toast) the company recently has implemented, although it holds no monetary rewards.

According to the employees, a big strength for the company are *the Founders* as their drive and passion for constant growth and improvements builds excitement in the organization. Employees get inspired by this spirit and want the rest of the leaders to act the same way.

Being a *Remote working environment* is both the company's weakness and strength. It enables a very lean cost structure, but it comes with a price by creating a barrier to communication.

3.5 Analysis of Weaknesses

The biggest weakness for the company is that *Everyone works in a different place remotely*. There is rarely face-to-face interaction in the same place – apart from the company annual summit and random get-togethers for people that live in the same city.

For developing “the competitive drive to win”, the current *Team structure* is a hurdle because it is not ideal to nurture this kind of behavior. There is *No competition* between the teams. There is no competition between the individuals either. People have different KPIs that they are responsible for, and it is up to them to find the drive from within themselves to improve their metrics.

There exists some company drama that can escalate when people are mainly communicating via chat messages and voice calls. The message can get lost and misinterpreted due to the communication format.

According to the interviews, people might be spending a lot of time caring about what others think instead of improving themselves and outperforming their results. This comes back to the *Limited amount of star players and high achievers in the organization*. This means current higher standards of performance have yet to be ingrained and the majority desires for utmost positivity and at the same time fear of misconception, failure and confrontation.

As a result, launch of new products is too slow as there exists issues in following the checklists and neglecting to focus on speed and profit.

To some extent, the set up *Lacks structured training and a training manager*. This means there is no clear career path for the employees, and it is up to the individuals themselves to build this.

3.6 Key Findings from the Current State Analysis (Data Collection 1)

The most surprising element from the survey was that people prioritized money as their biggest motivating factor. This is opposed to the initial expectations before starting the research.

Another surprise was that people prefer to be acknowledged for a job well done privately in one-to-one discussion rather than publicly. This actually goes against the common saying that “criticize people privately and praise publicly”. Table 3 below summarizes the key findings.

Table 3. The findings, representative evidence and implications.

Findings	Representative Evidence	Implications
People say they are mostly motivated by money.	This does not show in the work but in the survey. People also got very excited when talking about a possible annual bonus.	It seems essential to build some kind of bonus and incentive system. There needs to be a monetary reward for doing well.
Team structure does not encourage competition. Each team works on their own stuff.	Teams are not comparable to each other.	This prevents the competitive spirit to emerge.
Launch of new products is too slow.	Less products released in 2018 than in 2017.	The company cannot grow without launching new products
Leadership is weak in some of the teams. Limited amount of “star players”.	Lack of proper leadership training. Leadership issues.	Team has low odds for succeeding if leadership is not in good shape
Being competitive can be perceived as negative in the Philippines.	Talking about failure is a taboo.	The environment for the competition needs some attention in order for it not to backfire.
Teamwork currently in the company is good.	People say the company is like a family.	Filipinos look after the family first and being in a good team is very important.
The annual summit is VERY important.	Everyone is looking forward to the annual summit in April 2019.	For employee engagement, motivation and building “the competitive drive to win” the annual summit plays an important part.
Previously low performance wasn’t appropriately dealt with. This has changed.	Low performers have been fired.	Tolerating low performance will bring more low performance.
People value more private recognition than public.	Previous employee satisfaction surveys.	People need to have 1:1 sessions regularly with their leads. They need to have a lot of positive encouragement in private.
Lack of career path and ambition. Being too comfortable. Lack of ownership.	Reported by several employees.	If there are people lacking ambition, they will end up de-motivating everyone.

Core values have very good effect	Survey showed how people feel connected with the company.	Company purpose is on the right track.
Recently launched “10X idea” competition brought up the competitive nature in people and it shows that with the right tactics people get really competitive.	This campaign caused a lot of stir and enthusiasm.	Employees of the company are really competitive in the right setup.

As seen in Table 3, it has three columns: findings, representative evidence and implications. The findings are listed there with the representative evidence backing up each claim and implications of the finding. The major findings are that people say they are mostly motivated by money, team structure does not encourage competition and that the recently launched “10X idea” competition sparked up positive competition within the company.

3.6.1 Summary of Strengths and Weaknesses

Table 4 below shows the summary of strengths and weaknesses.

Table 4. Summary of the strengths and weaknesses.

Strengths	Weaknesses
Company culture, core values and purpose that employees believe	Team structure is not ideal to demonstrate the competitive spirit
Teamwork; people feel being part of a family and taken care of	Current higher standards of performance have yet to be ingrained
Rewards and recognition program	Launch of new products is too slow
Recently launched “10X idea” competition brought up the competitive nature in people and it shows that with the right tactics people get really competitive (employees are competitive)	No bonus incentives

Training and self-development material	Lack of training manager who would assist everyone with their development and career path
Autonomy (contributes to employee motivation)	Lack of competitive elements
Freedom for people to choose how they achieve their goals (contributes to employee motivation), no micromanaging	No face to face interaction due to remote environment

Table 4 shows the key strengths and weaknesses. The main strengths are the company *Culture*, *Teamwork* and *Recently launched competition* that shows the employees can possess the competitive spirit also in the work environment. The competitive spirit just needs to be properly utilized with the right work environment.

The main weaknesses are the *Lack of competitive elements* and *No bonus incentives*, and the current *Team structure that does not support the competitive spirit* to emerge.

Next section studies the existing literature on the topic of increasing employee performance in order to find the best practice.

4 Existing Knowledge on Increasing Employee Performance and “Competitive Drive to Win”

Based on the findings of the current state analysis, this section discusses the best practice for increasing employee performance as suggested in the existing literature. The topics covered include remote working environment, team structure, leadership, change management, gamification, incentive programs, purpose and targets.

4.1 Remote Working Environment

Working in a remote environment requires a certain set of skills. It additionally requires elements that need to be in place for a successful outcome like communication channels, rules and meeting rhythms.

Ferrazzi (2014: 3, 4) defines the factors for a successful remote team as the right team, leadership, touchpoints and technology. Team members must be suitable for the virtual work environment. Required skills are good communication skills, high emotional intelligence, independence and resilience. Trust is essential for the team members to discuss openly. Trust results into an open dialogue and “observable candor” which is described as the foundation of successful teamwork. Goals and guidelines for team interaction must be clear to reduce uncertainty, assumptions and misunderstandings. During calls multitasking is not allowed. In virtual collaboration everyone must be mentally present and engaged. (Ferrazzi 2014: 3, 4).

Remote working environment creates its own challenges that can be handled with the right combination of tools, structure and effort. How people work and are being led is discussed in the next subsection.

4.2 Team Structure, People and Leadership

A responsibility assignment matrix (RAM) is a matrix-based chart illustrating how different resources are involved and responsible for the elements of work. The RASCI (Responsible, Accountable, Support, Consult and Inform) model ensures that only one person is accountable for a task to avoid confusion about responsibilities. Accountability can mean delegating the work to team members. RASCI helps to define how different roles

are involved and in which way; solely responsible, actively contributing by supporting or consulting, or merely being informed about the progress. (PMI 2013: 262).

But even before deciding on the roles and responsibilities of a team Collins (2001: 1) emphasizes based on his studies that “who” comes before “what”. It is essential to have the right people in the right roles. Collins uses the metaphor of getting the right people into the bus, wrong people out of the bus, get the right people in the right seats, and only then deciding where to drive. Collins talks how “greatness is not a function of circumstance. Greatness, it turns out is largely a matter of conscious choice and discipline”. Collins has defined a good-to-great framework where disciplined people engage in disciplined thought and who take disciplined action. (Collins 2001).

Figure 4 below shows the flywheel concept by Collins (2008).

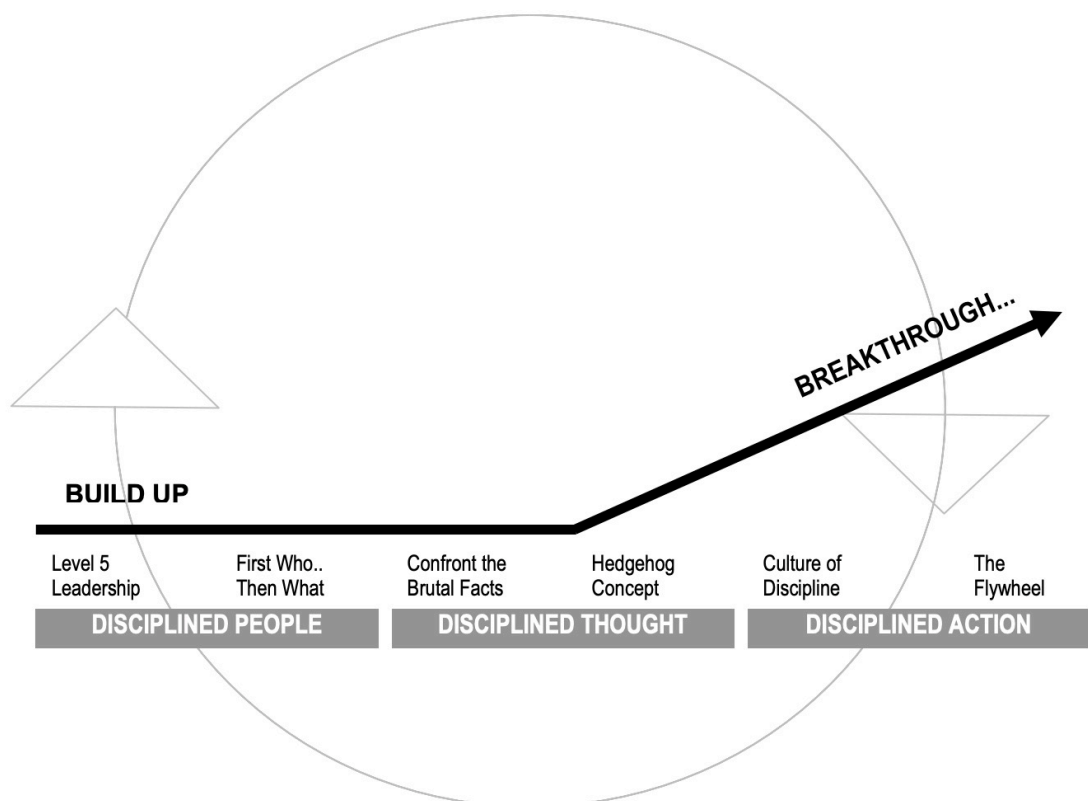


Figure 4. The build-up breakthrough flywheel. (Collins 2008).

As seen from Figure 4, the flywheel has four stages: disciplined people, disciplined thought, disciplined action and “building greatness to last” from build-up to breakthrough.

The stage 1 includes the *Level 5 Leadership* for the leaders and having the right people in the company; *First Who Then What*. The level 5 leaders possess the right combination of deep personal humility and intense professional will. The second stage (disciplined thought) includes *Confronting the Brutal Facts* and the *Hedgehog Concept*. Collins talks about “The Stockdale Paradox” which means facing reality no matter how bleak it might be yet without losing faith of prevailing in the end. “The Stockdale Paradox” is named after admiral Jim Stockdale who was held captive for eight years during the Vietnam War. Interestingly, Jim Stockdale said the prisoners that did not make out alive were the optimists who had faith yet lacked the second attribute of *Confronting the Brutal Facts*. The *Hedgehog Concept* is an operating model where the company decides where they can be the best in the world at, what ignites the passion for its people and what best drives its economy. Everything else is eliminated. (Collins 2001).

The third stage includes *Culture of Discipline* and *The Flywheel*. Collins (2001: 6) talks about how you don’t need hierarchy when there are disciplined people. People have responsibilities instead of jobs. With disciplined thought there’s no need for bureaucracy. *The Flywheel* emphasizes that greatness is not the result of a grand program, single defining moment or action. On the contrary it is more like moving and directing a giant flywheel. (Collins 2001)

The fourth stage is about *Building Greatness to Last* generation after generation of leaders. It is a catalytic mechanism to stimulate progress. There are timeless core values and a purpose coupled with a relentless drive to change things for the better and progress. (Collins 2001).

Roll-outing the proposal designed in this thesis requires a specific process and using the change management practices proven to work. Managing change in an organization is discussed in the next subsection.

4.3 Roll-Outing Change

Change is not something that all people take well, and team restructuring is something that can potentially cause friction and heated emotions in the employees if not properly handled. This means a proper change management process is required in order to roll-out the new team structure.

Kotter (2007: 1) describes how company transformation effort failures can be avoided with eight sequential steps known as the *Eight Accelerators*. According to Kotter transformation is a process instead of an event. The eight steps build upon each other and it takes years in order to stick. According to Kotter (2007: 3), 50 % of the companies he has observed fail to apply a sense of urgency; one reason being that the executives underestimate the difficulty in driving people out of their comfort zones. Kotter (2007: 8) states it is much about building a momentum and failure happens when the urgency level lacks intensity, guiding coalition lacks power and the vision lacks clarity.

Figure 5 below shows the Eight Accelerators by Kotter (2018: 9).



Figure 5. The Eight Accelerators make up the Change Process as defined by Kotter (2018: 9).

Figure 5 shows the Eight Accelerators by Kotter (2018: 9). The first step in the process is to *Create a Sense of Urgency* by creating a “window of opportunity” that is currently open but about to be closed. This is done in order to build alignment around a commonality to drive people towards the same direction. It is important that this is articulated and communicated well. People need to understand the consequences and stakes whether it is a success or failure. The second step is to *Build a Guiding Coalition* with people from multiple layers of the organization to receive information about the organization across all levels and rank. The next step is to *Form a Strategic Vision and Initiatives* that will

make the vision a reality. The strategic vision needs to be communicable, desirable, creating a verbal picture, flexible, feasible, imaginable and simple. But the focus is on actions and initiatives crafted by diverse group of employees and validated by senior leaders. The fourth step is to *Enlist a Volunteer Army* since large-scale change can only occur when very significant number of employees drive in the same direction under a common opportunity. People need a reason and motivation to join a movement. (Kotter 2012).

The fifth step is to *Enable Action by Removing Barriers* such as bureaucracy, inefficient processes and archaic norms to provide the necessary freedom in order for people to create impact. The sixth step to *Generate Short-Term Wins*; big or small, taken actions, learned lessons, improved process, anything that helps moving towards the target. After each win press hard to tap on the momentum to fuel the change and *Sustain Acceleration*. The final step is to *Institute Change* in order to make it stick by connecting the new behaviors with the organization's success. After this point management and leadership is critical; strong management for the day-to-day operations and leadership to capitalize on the unexpected opportunities. (Kotter 2012).

When it is identified how organizational change needs to happen, the next thing is to identify how to increase competitiveness. Next subsection discusses the option how competitiveness is increased using gamification.

4.4 Increasing Competitiveness by Using Gamification

A famous quote by Napoleon Bonaparte goes, "A soldier will fight long and hard for a bit of colored ribbon." This implies that people go a long way and even risk their lives for something as simple as a badge on their jacket recognizing their status. Today we call this kind of idea in business a rewarding system, which is a typical feature of gamification.

Deterding et al. (2011: 2) define gamification simply as "the use of game design in non-game contexts". It is different from serious games and playful interactions. Gamification has the elements of games, not of play. Games have rules, competition or strife towards an outcome or goal. Gamification is distinguished from playful interactions or design, but with the expectation that a gamified application would emerge playful mindset and behavior. Serious games refer to "use of complete games for non-entertainment purposes" whereas gamified applications use only elements of games. (Deterding et al 2011: 2).

Kallioja's (2017: 8) definition is more complex as he claims that gamification is "adding design elements characteristic to games to non-gaming context as an attempt to motivate users to engage with the system and foster behavior change". Kallioja takes into account the desired outcome. Flatla et al. (2011: 4) define four basic elements of games: challenge, theme, reward and progress. There must be clear goals presented in a vicarious setting with rewards that reinforce behavior and feedback based on progress. These mechanics make it possible to liven up even a dull, tedious task.

Malone (1981: 356) specifies three major kinds of intrinsic motivation: challenge, fantasy and curiosity. The challenge consists of goals, uncertain outcome, toys vs. tools and self-esteem. A goal has to be personally meaningful coupled with the performance feedback. Malone (1981: 336) states that the performance criteria – how well or poorly one is doing – is made in such a way that it results into a challenging activity. (Malone 1981: 357).

Hussain et al. (2018: 97) proclaim that using a gamified strategy leads to higher motivation, engagement and retention, and that employees prefer to work in a gamified work environment. Hamari et al. (2014: 3025, 3028) also claim that gamification produces positive effects and benefits, though the effects greatly depend on the context and the users participating on the game.

Figure 6 by Dorling & McCaffery (2012) and Baxter et al. (2017) (as cited in Hussain et al. 2018: 100) shows the variable relationship diagram regarding gamification.

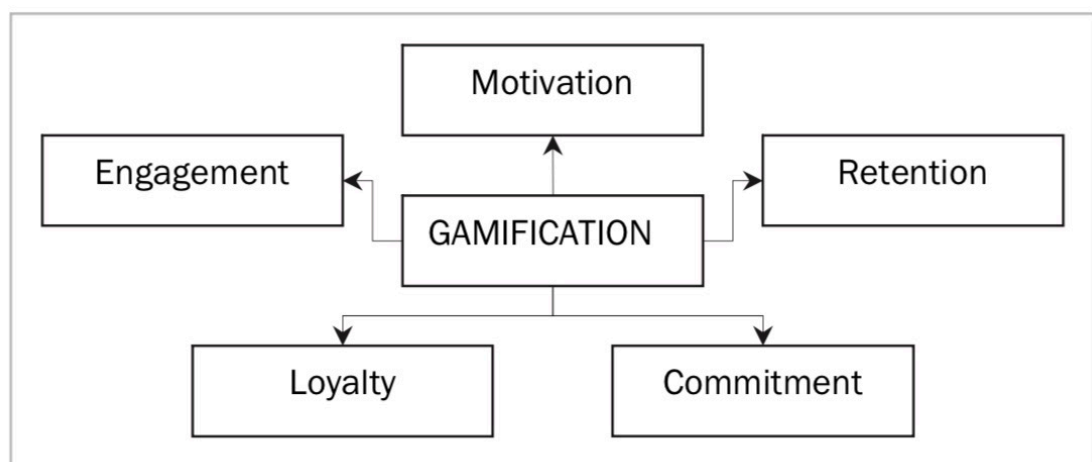


Figure 6. Variable relationship diagram. (Hussain et al. 2018: 100).

As seen from Figure 6, engagement, motivation, retention, commitment and loyalty are all impacted by using gamification. According to Hussain et al. employee motivation is a vital element in the productivity and employee engagement defines how vested the employee is in the job. Organizational commitment and employee loyalty measure what is the perception and attitude towards the company and the job. Employee retention on the other hand measures whether or not gamification is successful in improving the work environment. All mentioned variables affect each other, and gamification on the other hand affects them. (Hussain et al 2018: 100).

Hussain et al. (2018: 105, 106) recommend gamified environment to include a leader-board system (measure group or individual performance), appraisal and scoring system (evaluating employees), leveling and progression system (allotting badges for effective performance), and rewards and compensation system (badge redemption at each tier unlocking unique benefits and rewards).

There is evidence that gamifying the work environment produces results but as Deterding (2011) emphasizes it is not about the games themselves but about well-designed games.

Next, a monetary reward system is discussed in order to understand what kind of incentive program might work and would be applicable for the case company, as the current state analysis revealed the employees say they are mainly motivated by money. It is important to research what are typically used models, benefits and potential downsides.

4.5 Incentive Programs

Incentive programs or Pay-for-performance (PFP) practices are formal schemes used to drive employee behavior to a desired direction during a specified timeframe. Chen (2018: 120) claims a PFP system should ideally contribute to a better work attitude and increased effort. Ogbonnaya et al. (2017: 2) divide performance pay into two forms: bonuses offered to individuals based on their performance and bonuses offered as organization-wide incentives like a profit-based pay or share ownership.

There exists a lot of data showing that monetary incentive programs do not work and can be even harmful. Dewhurst et al. (2009: 2) claim many financial rewards lead to short-term energy boost but fail to produce a lasting effect and can result into unintended damaging effects. Kohn (1993: 3) states there are even negative correlations between pay

and performance, and that rewards buy temporary compliance. Kohn (1993: 5) states rewards and punishments both have a punitive effect as they are manipulative. The two are the different sides of the same coin.

On the other hand, Bucklin claims any incentive program is better than none at all. However, the amount itself made no difference. Their study showed that daily graphs of the status impacted the performance. (Bucklin and Dickinson 2001).

Clark (2013) reports incentives on average to increase performance by 22 % and increase team performance even as much as by 44 %. Dewhurst et al. (2009: 2) report that most effective financial incentives in prioritized order are performance-based cash bonuses, increased base pay and stock or stock options. However, no less effective methods rank the non-financial metrics (in prioritized order) praise and commendation from immediate manager, attention from leaders and opportunities to lead projects or task forces. Dewhurst et al. (2009: 3) speculate that non-financial metrics are not being used extensively due to hesitation to challenge the traditions of monetary incentives. Non-financial metrics additionally require time and commitment from senior managers.

O'Neill (1995: 111) claims when compensation is based on the company profit the downside is that it puts significant pressure on the budget setting and reporting process. This might be more problematic in bigger corporations but if the responsibility about team profitability is given to the team itself then it might not be such a daunting task. A potential issue O'Neill (1995: 107) defines about variable pay program is that when an incentive is an add-on to the base salary then it has an upside only, and that if the target becomes unfeasible it tends to get revised downwards. O'Neill (1995: 110) proposes a total reward system consisting of analysis of both internal and external business factors, and then planning & implementation of the reward strategy.

Collins (1999: 79) in his *Catalytic Mechanisms* recommends using money, but not to rely solely on it. It is clear money alone is not enough to increase performance. It does not stand on its own and requires non-financial incentives to complement it. Secondly, it also needs to be properly designed and implemented in order not to backfire and end up hurting the performance.

Performance must be measured in a clear way. But what is measured, and how and why? The metrics for measuring the company performance are discussed in the fourth and final subsection as well as the company, team and individual purpose.

4.6 Purpose and Targets

In order for employees to better connect with the company and the work there must be some purpose that it is being fulfilled in the employee's mind. Work needs to have a meaning. Pink (2009) specifies that motivation is born when three elements are present: autonomy, mastery and purpose. People have the freedom to decide how they do their jobs, ability to master their crafts and keep on improving, and understand and conceive that underneath there is some purpose driving the work. Sinek et al. (2017) provide a framework for finding out the purpose for companies, teams and individuals.

Purpose is an important element in Objectives and Key Results (OKRs) which is a framework for setting and tracking objectives and outcomes. Radonić (2018: 1) claims Google, LinkedIn and Intel owe their growth and success to the OKR system. Google Co-Founder Larry Page defines OKRs as one of the reasons the company was able to grow by ten times on multiple occasions over and over again (Doerr 2018: 11).

Drucker (1954: 121) urges the idea that subordinates are consulted on company goals and corporation is more of a community built on trust and respect. Drucker called this a principle of Management by Objectives (MBOs) and self-control. Management and employees define their key objectives and what needs to be done in order to achieve them (Drucker 1954: 121). This is related with the hiring philosophy of Steve Jobs who was known to say that it doesn't make sense to hire smart people and tell them what to do; instead you hire smart people to tell the company what to do. According to Doerr (2018: 46) in a meta-analysis of seventy studies adapting MBOs led to productivity gains of 56 % where the commitment to MBOs was high versus 6 % where the commitment was low. However, MBO had its shortcomings and in many companies led to a stagnant hierarchy. Intel CEO Andrew Grove (1983) further developed it to avoid "activity trap" by focusing more on the output and adding key results:

"The key result has to be measurable. But at the end you can look, and without any arguments: Did I do that, or did I not do it? Yes? No? Simple. No judgments in it."

OKRs differ from MBOs in the way that OKRs are set and evaluated more frequently. Radonić (2018: 31, 36) suggests SMEs to evaluate OKRs on a monthly basis and report progress daily. OKRs are completely transparent across the organization. OKRs are not directly related to compensation. MBO starts with the top-down concept whereas OKRs are bottom-up and involve every individual goal as part of the company objectives. (Radonić 2018: 29).

Zhou & He (2018: 322) identify two characteristics for OKRs: transparency and negotiation. Transparency makes it possible for employees to impact on the company affairs and negotiation addresses the understanding of company strategic goals and purpose. OKR is like a lighthouse that points employees to the right direction and leaving an option for them to pursue on their career path. This allows ability to better adapt to changing needs. (Zhou & He 2018: 322).

OKRs answer the following three questions. Where do you need to go? That is the Objective; a statement to inspire and set direction. The objective should not be measurable. How will you know you're getting there? Those are the Key Results, which measure the progress for achieving the Objective. Key Results need to be measurable. They should be ambitious, but at the same time not impossible. What will you do to get there? Those are the Initiatives to describe the effort to drive progress of Key Results. (Van Der Pol 2018: 5).

The Objectives address the “what” and the Key Results the “how”. OKRs consist of meaningful, audacious goals. The five key advantages OKRs provide to companies are focus, alignment, commitment, tracking, and stretching their performance. (MITSMR 2018).

Conversations, Feedback and Recognition (CFR) effectively complement OKRs and amplify the impact of the employees. Conversations mean the exchanges between the manager and contributor aimed at driving performance. Feedback means networked communication to evaluate progress and improve. Recognitions is about showing appreciation to contributions. Radical transparency and intrinsic motivation are integral parts of high performance. (Doerr 2018: 236).

Radonić (2018: 37) identifies a potential disadvantage for OKRs in the human factor by people not setting that ambitious objectives. But with the feedback mechanism this could

be avoided. Zhou & He (2018: 321) claim disadvantages of OKRs are the high criteria: requirement of high-quality employees not consisting of general staff, authoritarian style of leadership is not suitable for it and individuals might put too much focus on their individual OKRs instead of team OKRs. Zhou & He (2018: 321) also claim implementation cost is too high for SMEs. According to Doerr (MITSMR 2018) the reason why most often the OKRs fail in companies is because the Chief Executive Officer (CEO) and top management of the company is not personally committed; having their own individual OKRs that they are personally held accountable in front of the company every quarter.

Figure 7 below shows how OKRs, CFRs and compensation and evaluation build upon each other.

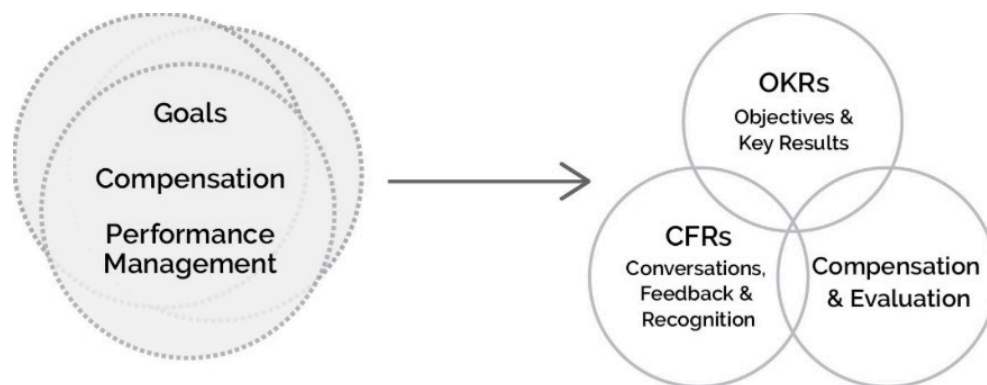


Figure 7. Continuous Performance Management (Doerr 2018: 244).

As illustrated in Figure 7, goals, compensation and performance management are all addressed by the OKRs, CFRs, and compensation and evaluation in all levels of the organization. Both OKRs and CFRs champion transparency, accountability, empowerment and teamwork. The CFRs ignite OKRs and give the OKRs “the human voice” by being mutually reinforcing. (Doerr 2018: 236).

Practical question is how the planning for the OKRs takes place in an organization. Figure 8 shows a typical cycle of the OKRs (Doerr 2018: 2).

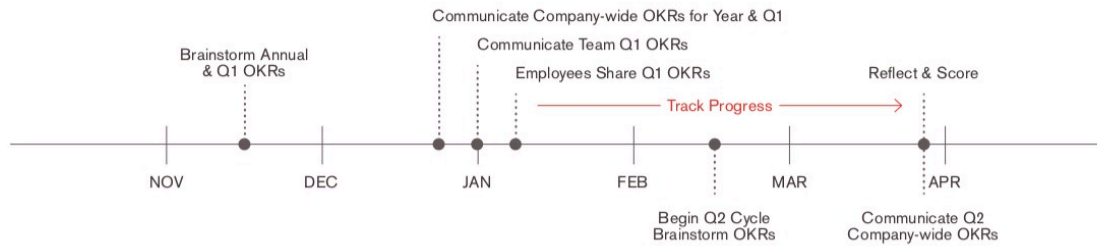


Figure 8. A typical OKR cycle (Doerr 2018: 2).

As illustrated in Figure 8, the OKR cycle starts 4-6 weeks before the quarter with brainstorming for the annual and first quarter company OKRs. The annual plan helps guide the direction of the company. This is typically done by top management. Two weeks before, the OKRs are finalized and communicated to everyone. When the quarter starts the team OKRs are shared by the teams. One week after individuals share their own OKRs as agreed together with their managers. During the quarter progress is being tracked. If anything seems unattainable a recalibration can be considered. Near the end of the quarter people assess themselves by scoring and reflecting what has been accomplished. (Doerr 2018: 2).

The next subsection demonstrates the conceptual framework developed on the basis of the literature.

4.7 Conceptual Framework of This Thesis

The conceptual framework concentrates on how to increase “the competitive drive to win” in the case company. Below is Figure 9 showing the conceptual framework.

STRUCTURE	COMPETITIVENESS	DIRECTION AND OWNERSHIP
<p>1. TEAM RESTRUCTURING</p> <ul style="list-style-type: none"> - Define RASCI model for all teams (<i>PMI 2013</i>) - Remote working environment (<i>Ferrazzi</i>) - CSA issue: team structure does not support for competitiveness 	<p>2. GAMIFYING THE WORK</p> <ul style="list-style-type: none"> - Leaderboards, scoring, progression and rewards (<i>Hussain et al 2018; Hamari 2017</i>) - CSA issue: lack of competitive elements 	<p>3. TARGETS</p> <ul style="list-style-type: none"> - OKR framework (<i>Doerr 2018</i>) - Stretch goals (<i>Sitkin et al 2011</i>) - CSA issue: no competitive targets to compete against
<p>1. LEADERSHIP</p> <ul style="list-style-type: none"> - Flywheel (<i>Collins 2001</i>) - Right people in right roles (<i>Collins 2001</i>) - Level 5 Leadership (<i>Collins 2001</i>) - Continuous Performance Management (<i>Doerr 2018: 244</i>) - CSA issue: leadership is weak in some teams <p>1. CHANGE MANAGEMENT</p> <ul style="list-style-type: none"> - Gradual 8 step model: "Eight Accelerators" (<i>Kotter 2018</i>) 	<p>2. MONETARY INCENTIVE PROGRAM</p> <ul style="list-style-type: none"> - Why rewards fail (<i>Kohn 1993</i>) - Effective reward system (<i>Gross and Friedman 2004</i>) - CSA issue: no monetary bonus incentive 	<p>3. PURPOSE</p> <ul style="list-style-type: none"> - Find your why framework (<i>Sinek et al. 2017</i>) - Hedgehog concept (<i>Collins 2001</i>) - CSA issue: unwillingness to change, lack of ownership

Figure 9. The Conceptual Framework for building the proposal.

As illustrated in Figure 9, the conceptual framework consists of three elements to address the issues identified in the current state analysis: *Structure*, *Competitiveness* and *Direction and ownership*. The *Structure* includes *Team restructuring*, *Leadership* and *Change management*. RASCI model (PMI 2013) is used to define the roles and responsibilities for each team. The Flywheel by Collins (2001: 6) is used to assess that there are “disciplined people who engage in disciplined thought and who take disciplined action” and there are right people in the right roles. Continuous Performance Management (Doerr 2018: 244) is used to ensure people are performing at best to their skills and they have the support they need. The Eight Accelerators (Kotter 2018: 9) is used for roll-outing the change program in order to ensure the best outcome.

The second element is the *Competitiveness* that consists of *Gamifying the work* and *Monetary incentive program*. Gamification is achieved by using a system of badges,

leaderboards, scoring and progression (Hussain et al 2018; Hamari 2017). Monetary incentive program can easily backfire (Kohn 1993). Therefore, it is important that an effective reward system is used (Gross and Friedman 2004).

The third element *Direction and ownership* consists of *Targets* and *Purpose*. OKRs (Dorner 2018) make people stretch but stretch goals can also backfire (Sitkin et al 2017). Purpose is an essential part of the OKRs and Sinek et al. (2017) provide a scalable framework for organizations and teams to “find their why”. The Hedgehog Concept (Collins 2001) is an essential part to identify what is the “why” of the company.

Next section discusses the proposed solution that is developed using this conceptual framework as a basis coupled with the issues identified in the current state analysis.

5 Building Proposal on Increasing Performance for the Case Company

This section merges the results of the current state analysis and the conceptual framework towards the building of the proposal using Data 2.

5.1 Overview of the Proposal Building Stage

Several stakeholders were involved in building the proposal. Stakeholders gave suggestions that were taken into consideration. Literature was studied for the best practice and ideas. As a result, a proposal addressing the issues identified in the current state analysis was made. The current state analysis pointed out three key significant issues, and these three issues were tackled in the proposal. Accordingly, the proposal was built in three steps, added with the final piloting step.

First of all, there was identified lack of competitive elements. There are no competitive elements between the teams, roles and metrics. There are no elements in place that would bring up the competitive spirit.

Secondly, the current team structure does not support natural competition. There are no clear team targets to compete against.

Thirdly, employees say they are motivated by money but there is no monetary incentive system in place. There is no incentive program or bonus system in place.

Finally, as a pilot for the proposed system, it was partly tested in practice. Time for the pilot is short (one month), but it still gives some hints and initial signs whether the new system is a change for the better or worse.

5.2 Findings of Data Collection 2 (drawing together Data 1, CFW and Data 2)

In the discussions together with the Co-Founder it came clear that the current team structure is holding back the company performance and the speed for launching new products faster. The product lifecycle is divided into seven different stages: *Research, Preparation, Product development, Launch, Optimize, Rank and Profit*. Currently Team #2 owns

the responsibility for the first three stages whereas Team #1 has the responsibility for the last four stages. This structure was originally made so that each team could focus and master one specific area instead of spending time to learn the whole lifecycle and becoming “jack of all trades, master of none”. While justified at the time in the end it did not result into the desired outcome.

It was suggested that both product teams need to take full ownership of products in all seven stages – the full lifecycle. Additionally, each team takes a product category fully to itself i.e. Team #1 takes one brand and Team #2 takes another brand. This requires moving a few people around and hiring new people, so that both teams have the necessary skills and competence to be able to successfully handle the whole product lifecycle by themselves.

In the discussions together with the Co-Founder it was pointed out that the current company structure has no competitive elements. Teams or individuals are not competing against anyone, even though there are specific numerical targets.

The survey that was carried out with all the personnel revealed that money is the main motivating factor. Discussions held together with the HR Manager and COO concluded that it would be beneficial to implement some kind of incentive bonus system along with gamifying the work in order to make work more exciting and fun. COO emphasized that all teams need to understand the financial impact they have, what is the target to be achieved and what is their part on it.

The literature revealed that OKRs are widely used in companies like Google and Uber to get employees inspired about their goals and create meaningful targets. OKRs is a way of restructuring the goals in order to create clarity about the priorities and align also individual goals with the company targets. OKRs are set to get people not just to achieve goals but to stretch above even their own expectations. Achieving marginal improvement in effectiveness is not necessarily as exciting as growing the company 10 times. OKRs often start with the idea of defining what you want to achieve if everything goes as planned, and then going beyond that point to stretch yourself further. Discussing OKRs together with the Co-Founder, COO and HR Manager revealed that it is a big potential for the company and is worthwhile to be implemented.

The proposal consists of three elements. Below is a Figure 10 showing the first element: *Structure*.

1. STRUCTURE
<p>TEAM RESTRUCTURING</p> <ul style="list-style-type: none"> - Product teams take ownership of the whole product lifecycle - Product teams take ownership of brand/category - Logistics is part of the product teams - Research & Development is part of the product teams - CSR is part of the product teams - Separate Circle Lead and Brand Manager roles - Define RASCI model for all teams (<i>PMI 2013</i>) - CSA issue: team structure does not support for competitiveness
<p>LEADERSHIP</p> <ul style="list-style-type: none"> - Redefined Circle Lead responsibilities and outcome - Right people in right roles (<i>Collins 2001</i>) - Continuous Performance Management (<i>Doerr 2018</i>) - "Level 5 Leadership" (<i>Collins 2001</i>) - CSA issue: leadership is weak in some teams
<p>CHANGE MANAGEMENT</p> <ul style="list-style-type: none"> - Gradual 8 step model "Accelerator" (<i>Kotter 2018</i>) - Progress is tracked during the process - Champions are nominated to drive the change

Figure 10. The CSA (in red), CFW (in italic) and the first element of the proposal including key stakeholder suggestions in green.

As illustrated in Figure 10, the *Structure* consists of three areas: *Team restructuring*, *Leadership* and *Change management*. Identified issue in the current state analysis was that the team structure does not support competitiveness. Therefore, the product teams are restructured in such a way that each team can take ownership of the whole product lifecycle for specific brands and categories. This requires moving some roles to these teams like logistics, research & development and customer service. The Circle Lead and Brand Manager Roles are separated, and team responsibilities are assigned based on the RASCI model (PMI). The current state analysis revealed that leadership is weak in some of the teams. To address this issue the Circle Lead responsibilities and outcome

are redefined, including assessing the capabilities of the leaders for the Level 5 Leadership (Collins 2001). For an effective organization it is essential to assure the right people are in the right roles (Collins 2001) and Continuous Performance Management (Doerr 2018) is a tool for working on it regularly.

For implementing the proposal, the Eight Accelerator model (Kotter 2018) is used including a gradual process and tracking progress frequently. This also means having champions to drive the change process.

The second element is *Competitiveness*, which is shown below in Figure 11.

2. COMPETITIVENESS
<p>GAMIFYING THE WORK</p> <ul style="list-style-type: none"> - Gamification based on the product lifecycle - Rewards & recognition program is continued - Teams have badges that they can achieve - Each team has its own set of badges - Leaderboards, scoring, progression and rewards (<i>Hussain et al 2018</i>) - CSA issue: lack of competitive elements, no sense of urgency on completing the product lifecycle
<p>MONETARY INCENTIVE PROGRAM</p> <ul style="list-style-type: none"> - Incentive bonus program that is separate from the OKRs - Based on team profit targets - Quarterly and annual - Each team has its own profit targets - Teams track their own expenses and profit - Made separate from the salary - Why rewards fail (<i>Kohn 1993</i>) - Effective reward system (<i>Gross and Friedman 2004</i>) - CSA issue: no monetary bonus incentive

Figure 11. The CSA (in red), CFW (in italic) and the second element of the proposal including key stakeholder suggestions in green.

As illustrated in Figure 11, *Competitiveness* consists of *Gamifying the work* and *Monetary incentive program*. The current state analysis identified lack of competitive elements and no sense of urgency for completing the product lifecycle. This is addressed with gamification for the product teams based on the product lifecycle. Progressing on the product

lifecycle earns the product teams badges. Other teams also have badges they can earn based on the work they do for example customer service team has badges based on how well they manage to delight the customers. The case company already has a rewards & recognition program which is continued and coupled with the new badges defined for each team. Gamification (Hussain et al. 2018) consists of leaderboards, scoring, progression and rewards.

The current state analysis identified that employees say they are mainly motivated by money, but there is no monetary incentive program in place. This is addressed with setting incentive program based on profit per team. Each team tracks their own income, expenses and profit weekly and has specific profit targets which result to bonuses if met. This system is separate from the OKRs and separate payment from the salary. Incentive program has a high likelihood of failure (Kohn 1993), so it is essential to build an effective reward system (Gross and Friedman 2004).

The third element is *Direction and ownership*, which is shown below in Figure 12.

3. DIRECTION AND OWNERSHIP
<p>TARGETS</p> <ul style="list-style-type: none"> - OKR framework (<i>Doerr 2018</i>) - Company has annual and quarterly OKRs and all other objectives are aligned with these - Each team and individual have both annual and quarterly OKRs - OKRs are tracked weekly - OKRs are closed quarterly to take the learnings for the next quarter (continuous improvement) - Stretch goals (<i>Sitkin et al 2011</i>) - CSA issue: no competitive targets to compete against
<p>PURPOSE</p> <ul style="list-style-type: none"> - Teams and individuals define purpose based on company purpose - Finding your why (<i>Sinek et al. 2017</i>) - Hedgehog concept (<i>Collins 2001</i>) - Flywheel effect (<i>Collins 2001</i>) - CSA issue: unwillingness to change, lack of ownership

Figure 12. The CSA (in red), CFW (in italic) and the third element of the proposal.

As illustrated in Figure 12, *Direction and ownership* consists of *Targets* and *Purpose*. The current state analysis identified weakness that there are no competitive targets to compete against. Therefore, the OKR framework (Doerr 2018) is used for target setting in order to solve the issue. The company defines annual and quarterly OKRs and all other objectives are aligned with these. Each team and individual have their own annual and quarterly OKRs which are tracked weekly. The OKRs are closed quarterly to transform the learnings into the next quarter. Stretch goals require recent success and slack resources (Sitkin et al. 2017; 2011) in order not to backfire.

Lack of ownership and unwillingness to change was an issue identified in the current state analysis. This is addressed with *Purpose* by helping teams and individuals find their purpose based on the company purpose (Sinek et al. 2017). The company purpose is part of the Hedgehog Concept and creating the Flywheel effect (Collins 20015) by doing many small things right consistently.

Below is a Figure 13 showing the suggested proposal in its entirety.

1. STRUCTURE	2. COMPETITIVENESS	3. DIRECTION AND OWNERSHIP
<p>TEAM RESTRUCTURING</p> <ul style="list-style-type: none"> - Product teams take ownership of the whole product lifecycle - Product teams take ownership of brand/category - Logistics is part of the product teams - Research & Development is part of the product teams - CSR is part of the product teams - Separate Circle Lead and Brand Manager roles - Define RASCI model for all teams (<i>PMI 2013</i>) - CSA issue: team structure does not support for competitiveness 	<p>GAMIFYING THE WORK</p> <ul style="list-style-type: none"> - Gamification based on the product lifecycle - Rewards & recognition program is continued - Teams have badges that they can achieve - Each team has its own set of badges - Leaderboards, scoring, progression and rewards (<i>Hussain et al 2018</i>) - CSA issue: lack of competitive elements, no sense of urgency on completing the product lifecycle 	<p>TARGETS</p> <ul style="list-style-type: none"> - OKR framework (<i>Doerr 2018</i>) - Company has annual and quarterly OKRs and all other objectives are aligned with these - Each team and individual have both annual and quarterly OKRs - OKRs are tracked weekly - OKRs are closed quarterly to take the learnings for the next quarter (continuous improvement) - Stretch goals (<i>Sitkin et al 2011</i>) - CSA issue: no competitive targets to compete against
<p>LEADERSHIP</p> <ul style="list-style-type: none"> - Redefined Circle Lead responsibilities and outcome - Right people in right roles (<i>Collins 2001</i>) - Continuous Performance Management (<i>Doerr 2018</i>) - "Level 5 Leadership" (<i>Collins 2001</i>) - CSA issue: leadership is weak in some teams <p>CHANGE MANAGEMENT</p> <ul style="list-style-type: none"> - Gradual 8 step model "Accelerator" (<i>Kotter 2018</i>) - Progress is tracked during the process - Champions are nominated to drive the change 	<p>MONETARY INCENTIVE PROGRAM</p> <ul style="list-style-type: none"> - Incentive bonus program that is separate from the OKRs - Based on team profit targets - Quarterly and annual - Each team has its own profit targets - Teams track their own expenses and profit - Made separate from the salary - Why rewards fail (<i>Kohn 1993</i>) - Effective reward system (<i>Gross and Friedman 2004</i>) - CSA issue: no monetary bonus incentive 	<p>PURPOSE</p> <ul style="list-style-type: none"> - Teams and individuals define purpose based on company purpose - Finding your why (<i>Sinek et al. 2017</i>) - Hedgehog concept (<i>Collins 2001</i>) - Flywheel effect (<i>Collins 2001</i>) - CSA issue: unwillingness to change, lack of ownership

Figure 13. The CSA, CFW and the proposal including key stakeholder suggestions in green.



Figure 13 shows three focus areas for the proposal: *Structure*, *Competitiveness*, and *Direction and ownership*. Each area shows the issues identified in the current state analysis. Conceptual framework is shown italic. The proposal illustrates the new team structure, leadership model, incentive program and gamification and the targets using OKRs as well as purpose.

Below is Table 5 that shows suggestions from the key stakeholders.

Table 5. Key stakeholder suggestions for proposal building (Data 2) in relation to findings from the CSA (Data 1) and the key elements CF.

	<i>Key focus area from CSA (from Data 1)</i>	<i>Suggestions from stakeholders (Data 2)</i>	<i>Description of the suggestion</i>
1	Team structure and ownership	a) Restructure the product team setup to increase performance b) Change ownership for full product category and brand per team c) Make product teams take full ownership of the product lifecycle	The Co-Founder suggested to change the team structure in order to increase performance. This means changing the roles and people. In discussions it was realized that by making this change the team is able to take full ownership of the product lifecycle and therefore launch products faster. This also means each team takes full ownership of the brand and therefore has better ability to impact the brand direction.
2	Lack of competitiveness	Make the product teams comparable to each other in order to allow increasing healthy competitiveness between the product teams	Input from the top management pointed out that with the new team structure, healthy competitiveness can be increased.
3	Leadership	Separate the two roles from each other: Circle Lead and Brand Manager	The current state analysis revealed that leadership is weak in some of the teams. Top management identified that the leadership can be strengthened by further clarifying the Circle Lead responsibilities and separate brand related functions to its own role.
4	Monetary incentive program	Add monetary incentive program based on profit	In the discussions together with the HR Manager, COO and Co-Founder there was a suggestion that monetary incentives would be added for each team.
5	Gamification	Add gamification elements to each team	Top management explored the idea of using team badges to gamify their work.

6	Targets with OKRs	Create more meaningful targets that are all aligned and make people stretch	There are annual and quarterly team and individual OKRs that are aligned with the company OKRs
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Table 5 shows the key suggestions from the stakeholders that were used in building the proposal. There are six key focus areas: team structure and ownership, lack of competitiveness, leadership, monetary incentive program, gamification and targets with OKRs. The main suggestions came from the top management and executives. The Co-Founder emphasized the point how the current team structure is a hurdle for speed. Each product team is better equipped to make decisions when they have the full ownership of a brand and product category in all stages in the product lifecycle. This will also increase healthy competitiveness when the product teams are comparable to each other.

In all the teams, leadership can be strengthened by redefining the Circle Lead role. One identified focus area for the role is to assess and track the OKRs for each person in the team on one-to-one discussions. In the discussions HR Manager, COO and Co-Founder all advocated for creating a monetary incentive program. Top management suggested using gamification by creating a badge system where each team had their own badges. The OKRs are something everyone involved felt strongly that it would have a positive impact on the company.

5.3 Team Structure and Leadership (based on Data 1, CFW and Data 2)

Below is a Table 6 showing the roles, KPI sheets and responsibilities of the product teams.

Table 6. The names, KPIs and purpose of each role for the product teams.

	Role Name	KPI Sheet Ownership	Purpose
1	Circle Lead	Executive Summary	Prioritizes the team work, coaches team members to work on their OKRs
2	Brand Manager	Weekly Total	Visionary defining the brand strategy
3	Research & Virtual Assistant	Research	Search information that team needs in order to make smart decisions (set marketing and product strategies)

4	Product Developer	Product Development	Release quality products that the market wants based on the market research
5	Logistics & Quality Control Manager	Inventory	Keep the team selling high quality profitable products
6	Listing Optimizer (Problem Solver)	Sales	Optimizing the product listings to increase sessions and conversions
7	Art Director	Graphics	Making sure the product listing is attractive, healthy and appealing and stands out from the competitors
8	Amazon Ad Manager	Ads	Improve product ranking and sales
9	Customer Service Representative (Product Reviews)	CSR	Help team understand what customers want and how we are delivering on customer needs.

Table 6 shows the names, KPIs and purpose for each role for both of the product teams. The first column shows the role names. There are nine different roles. The second column shows the main KPIs that each member uses to track progress on achieving their goals. Each role has its own KPI spreadsheet that consists of several metrics that can help the role achieve their targets. The third column shows the purpose of each role.

The team setup is the same for both of the product teams. This means the teams are now more comparable to each other and it is possible to set up a healthy competition between the teams on which product team releases more quality products, produces more profit and goes through the product lifecycle faster.

The company had a similar team structure as the proposed one already in 2017 so it is reasonable to ask what makes this time different. Before proceeding with the proposal, it is important to identify what went wrong last time and how are those issues addressed this time. Below is a Table 7 showing the differences between the suggested solution and the previous attempt to use a similar team structure. This was presented by the Co-Founder.

Table 7. Comparison of similar team structure in 2017 and the proposed solution.

	LAST TIME (2017)	THIS TIME (2019)
1	Teams had weak leadership and were not able to track metrics and progress	The progress of the product lifecycle is observed by the Circle Lead and discussed by the team weekly. Circle Lead also initiates the product lifecycle improvements
2	Teams had no metrics/ability to track are they making progress weekly/monthly	Teams have an executive summary spreadsheet and understand how they are doing as a whole on a weekly basis
3	Teams had no specific target or direction (not able to measure or achieve better results)	Teams have collective targets and metrics to achieve
4	There were no personal metrics	Every team member holds a personal metric which is adding up to the team main KPI (order quantity and profit)
5	No tracking how long it takes to complete the product lifecycle	Circle Lead is tracking the product lifecycle to see if the team is on track
6	Research & development was separate from the product teams. Therefore, the product teams were not learning from their previous mistakes, and not developing the products further	Research & development roles are part of the product teams to capture all the failures weekly and work on the improvements
7	Voice of the customer was missing	Teams have a customer service representative who is delivering the team everything that customers are talking about; identify any complaints in order to improve the product listings and create better products
8	Teams were missing a Brand Manager	Teams have a Brand Manager who is the visionary and responsible for the brand attractiveness and delivering meaningful products that stand out in the market
9	There were no weekly metrics review	Team has a weekly metrics review before planning next week actions
10	There was no weekly customer service review	Team has a weekly review to see what customers are saying in order to understand the market feedback
11	There were no Virtual Assistants available for ad-hoc random tasks which ended up jeopardizing the weekly goals	Teams have dedicated Virtual Assistants who can help out with ad-hoc requests, and help as needed with any research or other tasks in order to allow the product teams to be able to focus on their weekly goals

As seen from Table 7, this structure addresses the issues about lack of competitiveness since now the product teams are comparable. The Co-Founder presented the differences and felt strongly how this time with the proposed solution the missing pieces are filled.

Below is Table 8 showing the RASCI model for the product teams.

Table 8. RASCI model for the product teams

Stages	Circle Lead	Brand Manager	Research & Virtual Assistant	Product Developer	Logistics & Quality Control Manager	Listing Optimizer	Art Director	Amazon Ad Manager	CSR
Research	A	C	R	I	I	I	I	I	I
Product Development	A	C	S	R	S	I	S	I	C
Preparation	A	C	S	I	I	R	S	I	I
Launch	A	C	S	I	I	I	I	R	S
Optimize	A	C	S	S	S	R	S	I	C
Rank	A	C	S	I	I	I	I	R	I
Profit	A	C	S	I	S	S	S	R	C

As depicted in Table 8, the first column on the left shows the seven stages of the product lifecycle. First row from the second column onwards shows the different roles in the product teams. Both product teams have the same roles. The columns next to each stage shows how every role contributes to the stage.

Another key change is separating the role of the Circle Lead from the Brand Manager. So far, these two roles have been combined. There has been no specific Brand Manager role which has led to expecting the Circle Lead to handle the responsibilities. The weakness is that these two roles require very different type of skills; visionary for the brand has to be a creative person whereas the Circle Lead role requires good people skills and being comfortable holding people accountable. Doing both roles well requires dedication and time. Often these two people are also very different personalities. Therefore, combining the two is not an ideal solution. Instead the suggested solution is to separate the two and allocate two different people to these roles. If person has to focus on both then the danger is to water down both roles.

Important new responsibility for the Circle Lead is to keep the team members accountable for their individual OKRs. This includes holding weekly calls with each team member

to help the person progress with their OKRs. This means the new team structure will increase the workload for the Circle Lead, so this in addition grounds the reasoning for differentiating this role from the Brand Manager. This new responsibility for the Circle Lead affects not only the product teams but all the teams.

One of the identified issues in the current state analysis was that leadership is weak in some of the teams. By making this change in the Circle Lead responsibilities the expected impact is to strengthen the leadership by allowing the Lead to spend more time in coaching each person.

5.4 Gamification (based on Data 1, CFW and Data 2)

Each team has a set of badges that they can earn. For the product teams the badges are based on the progress of the product lifecycle. For the other teams the badges are tied to the team objectives and purpose. The badges are aligned with the OKRs.

5.5 Monetary Incentive Program (based on Data 1, CFW and Data 2)

The monetary incentive program is based on profit that each team generates. Each team has a sheet that they update themselves with the help from the CFO. It shows their weekly income, expenses and profit that the team generates. For the product teams it is a straightforward process as their income and expenses are coming directly from the products. Other teams need to assess how their income is generated in order to realistically track the profit.

5.6 Targets and Purpose (based on Data 1, CFW and Data 2)

The monetary incentive program is separate from the OKRs and purpose. Otherwise it might risk the stretch goals because by definition the aspirational goals have a high risk of failure. By setting a monetary incentive based on it might end up backfiring and result into preventing people from defining ambitious goals.

The case company feels strongly that OKRs are essential part of the solution to increase employee performance. It is well understood that the objective needs to be meaningful instead of just a numeric target. The OKR framework consists of the company setting

annual and quarterly OKRs. Based on these each team defines their own OKRs. Additionally, each team member defines their own individual OKRs. The team and individual OKRs are tracked weekly by the Circle Lead.

5.7 Proposal Draft

Below is a Figure 14 showing the suggested proposal.

1. STRUCTURE	2. COMPETITIVENESS	3. DIRECTION AND OWNERSHIP
<p>TEAM RESTRUCTURING</p> <ul style="list-style-type: none"> - Product teams take ownership of the whole product lifecycle - Product teams take ownership of brand/category - Logistics is part of the product teams - Research & Development is part of the product teams - CSR is part of the product teams - Separate Circle Lead and Brand Manager roles - Define RASCI model for all teams (<i>PMI 2013</i>) - CSA issue: team structure does not support for competitiveness 	<p>GAMIFYING THE WORK</p> <ul style="list-style-type: none"> - Gamification based on the product lifecycle - Rewards & recognition program is continued - Teams have badges that they can achieve - Each team has its own set of badges - Leaderboards, scoring, progression and rewards (<i>Hussain et al 2018</i>) - CSA issue: lack of competitive elements, no sense of urgency on completing the product lifecycle 	<p>TARGETS</p> <ul style="list-style-type: none"> - OKR framework (<i>Doerr 2018</i>) - Company has annual and quarterly OKRs and all other objectives are aligned with these - Each team and individual have both annual and quarterly OKRs - OKRs are tracked weekly - OKRs are closed quarterly to take the learnings for the next quarter (continuous improvement) - Stretch goals (<i>Sitkin et al 2011</i>) - CSA issue: no competitive targets to compete against
<p>LEADERSHIP</p> <ul style="list-style-type: none"> - Redefined Circle Lead responsibilities and outcome - Right people in right roles (<i>Collins 2001</i>) - Continuous Performance Management (<i>Doerr 2018</i>) - "Level 5 Leadership" (<i>Collins 2001</i>) - CSA issue: leadership is weak in some teams <p>CHANGE MANAGEMENT</p> <ul style="list-style-type: none"> - Gradual 8 step model "Accelerator" (<i>Kotter 2018</i>) - Progress is tracked during the process - Champions are nominated to drive the change 	<p>MONETARY INCENTIVE PROGRAM</p> <ul style="list-style-type: none"> - Incentive bonus program that is separate from the OKRs - Based on team profit targets - Quarterly and annual - Each team has its own profit targets - Teams track their own expenses and profit - Made separate from the salary - Why rewards fail (<i>Kohn 1993</i>) - Effective reward system (<i>Gross and Friedman 2004</i>) - CSA issue: no monetary bonus incentive 	<p>PURPOSE</p> <ul style="list-style-type: none"> - Teams and individuals define purpose based on company purpose - Finding your why (<i>Sinek et al. 2017</i>) - Hedgehog concept (<i>Collins 2001</i>) - Flywheel effect (<i>Collins 2001</i>) - CSA issue: unwillingness to change, lack of ownership

Figure 14. The CSA, CFW and proposal.

Figure 14 shows the proposal draft.

Next section describes the validation of the proposal by the key stakeholders.

6 Validation of the Proposal

This section reports on the results of the validation stage and points to further developments to the initial proposal. At the end of this section, the final proposal and recommendations as well as an action plan are presented.

6.1 Overview of the Validation Stage

This section validates the proposal developed in Section 5. The current state analysis pointed out that the solution needs to consist of changing the structure of the teams, increasing competitiveness and adding monetary incentives. The proposal was partially validated in practice with a pilot. Other ways of validation were evaluation by the key stakeholders and getting informal feedback from all the employees in discussions.

First, the proposal was presented in its entirety to the key stakeholders who evaluated the proposed solution. It was evaluated in terms of feasibility, attainability and how well it will solve the identified pain points and lead to the desired outcome.

Second, the proposal was piloted in order to get at least partial real-life data about its practicality. Teams were restructured based on the proposal. People were trained on setting targets using the OKRs and everyone started exercising writing OKRs for themselves aligned with the current company objectives.

6.2 Findings of Data Collection 3

The proposal was partially validated in practice by running a pilot. The team structure was changed, although with a few missing roles. The system of OKRs was introduced and training started. The key stakeholders found the proposal to be good enough to be taken into use with a few minor adjustments. Below is a Table 9 showing the summary of the validation points.

Table 9. Summary of the validation points

	<i>Key suggestions from the initial proposal</i>	<i>Comments from the key stakeholders</i>
1	Change product team structure and ownership	- COO: This is a really good change in order to increase competitiveness
2	Increase competitiveness between the product teams	- COO: Having healthy competitiveness has already shown good results before
3	Separate two roles from each other in each team: Circle Lead and Brand Manager. Redefine responsibilities of the Circle Lead	- ML: This is a change for the better since these two roles are too much for one person to handle
4	Add monetary incentive program based on profit	- HR: We shouldn't pay people extra just to get them do their jobs, but this kind of system is worth trying out - COO: Financial clarity is what the teams need desperately
5	Add gamification elements to each team	- CSR: This is already used in the CSR Team and has really sparked up the mood
6	Use OKR framework to create more meaningful targets that are all aligned and make people stretch	- HR: This should be a gamechanger for the company

As shown in Table 9, the comments from the key stakeholders were positive and in favor of proceeding. COO found the new team structure and ownership as a good way to increase healthy competitiveness between the product teams. The Lead from one of the product teams emphasized that splitting the Circle Lead and Brand Manager roles for different people will have a positive impact, since it is too much for one person to handle.

Everyone favored the monetary incentive program, but the key question remained how to structure it in a way that it will not backfire. HR made a good point that the company shouldn't pay people extra just for doing their jobs, so the bonus needs to come from going beyond the expected results. COO commented that financial clarity is really a must thing for all the employees. The CSR team is already been experimenting with small gamification features and the Circle Lead of the team felt it has had positive impact, and so should the proposal.

Every key stakeholder felt OKRs are a good solution for the company. It all comes down to implementation of making every person to understand the purpose and how it can help their jobs. HR called it as a real gamechanger.

6.3 Developments to the Proposal Based on Findings of Data Collection 3

This subsection goes through specifics about the proposal elements.

6.3.1 Team Structure

There was a pilot to test the team structure in practice. It resulted into a positive experience. However, the teams still lack some people to fill all the roles in the proposed team structure. Therefore, new people need to be hired. For example, some of the teams are not currently able to have a dedicated Circle Lead, so the full team structure can be taken into use only once all the roles have a dedicated person.

It was pointed out by the CSR Circle Lead that more suitable name for the CSR role in the product team is "Customer Champion". Otherwise it conflicts with the CSR team and will result into confusion.

6.3.2 Gamification

Feedback in the validation pointed that gamifying the work is a big opportunity for energizing the team members. The CSR Circle Lead pointed out the CSR team has already gamifying in place like running a race to achieve certain target of clients. This created very positive outcome in the team. People became very energized as a result.

The Co-Founder pointed out that current flaw in the use of the product lifecycle is that team members tend to forget it and neglect to focus on the bigger picture. The product lifecycle lacks a sense of urgency, which results into products getting stuck in a certain stage. Therefore, it is important that gamifying the product lifecycle has an element of urgency.

Some of the teams do not have a clear collective goal. General Circle has roles like HR, COO and CFO, where each role is mainly focused on their own deliverables. HR pointed out that in these cases individual badges make sense.

There was also a suggestion from a stakeholder to create a badge system based on training as the case company requires every person to study regularly. Gamifying training would give a sense of accomplishment every time an employee finishes a book, online course or a program.

6.3.3 Monetary Incentive Program

During the validation workshop it was made clear by several stakeholders in the discussion that creating a successful monetary incentive is not an easy task and the likelihood for failure is high. HR pointed out that people should not be rewarded just for doing their jobs as expected. Rewards should come out of overachieving the targets.

COO mentioned that lack of financial clarity is a big hinderance for the teams. It is currently lacking. Teams should be made aware of the income, expenses and profit generated by the team, and specific budget is allocated for each team. CSR team already has this, and according to the Circle Lead it has had a big impact on the mindset of the team.

6.3.4 Targets and Purpose

The OKR framework was validated by the stakeholders. Offsite training session was held with all the employees on the company summit. Additionally, everyone went through brief online training program and wrote OKR examples in order to demonstrate the understanding of the system. It was suggested in the stakeholder discussions for teams to have their own discussions and brainstorming about OKRS. When there are brainstorming sessions and open discussion people will better understand the need for this.

6.4 Final Proposal

Based on the feedback there are not many changes to the initial proposal. This is mainly due to the fact that the key personnel were consulted in building the proposal. The suggestions outlined in the current state analysis were already considered while building the proposal.

Below is a Figure 15 showing the final proposal.

STRUCTURE	COMPETITIVENESS	DIRECTION AND OWNERSHIP
<p>1. TEAM RESTRUCTURING</p> <ul style="list-style-type: none"> - Product teams take ownership of the whole product lifecycle - Product teams take ownership of brand/category - Logistics is part of the product teams - Research & Development is part of the product teams - CSR is part of the product teams - Separate Circle Lead and Brand Manager roles - Define RASCI model for all teams (<i>PMI 2013</i>) - Change CSR role name to Customer Champion in order to avoid confusion with the CSR team - CSA issue: team structure does not support for competitiveness 	<p>2. GAMIFYING THE WORK</p> <ul style="list-style-type: none"> - Gamification based on the product lifecycle - Rewards & recognition program is continued - Teams have badges that they can achieve - Each team has its own set of badges - Leaderboards, scoring, progression and rewards (<i>Hussain et al 2018</i>) - Develop individual badges where team has no collective goals (<i>General Circle team</i>) - Lifecycle is usually forgotten. There needs to be urgency implemented - Develop badges based on accomplishing training - CSA issue: lack of competitive elements 	<p>3. TARGETS</p> <ul style="list-style-type: none"> - OKR framework (<i>Doerr 2018</i>) - Company has annual and quarterly OKRs and all other objectives are aligned with these - Each team and individual have both annual and quarterly OKRs - OKRs are tracked weekly - OKRs are closed quarterly to take the learnings for the next quarter (continuous improvement) - Stretch goals (<i>Sitkin et al 2011</i>) - Teams have their own discussions about OKRs - CSA issue: no competitive targets to compete against
<p>1. LEADERSHIP</p> <ul style="list-style-type: none"> - Redefined Circle Lead responsibilities and outcome - Right people in right roles (<i>Collins 2001</i>) - Continuous Performance Management (<i>Doerr 2018</i>) - "Level 5 Leadership" (<i>Collins 2001</i>) - CSA issue: leadership is weak in some teams <p>1. CHANGE MANAGEMENT</p> <ul style="list-style-type: none"> - Gradual 8 step model "Accelerator" (<i>Kotter 2018</i>) - Progress is tracked during the process - Champions are nominated to drive the change 	<p>2. MONETARY INCENTIVE PROGRAM</p> <ul style="list-style-type: none"> - Quarterly incentive bonus program that is separate from the OKRs - Based on team profit targets - Each team has its own profit targets - Teams track their own expenses and profit - Made separate from the salary - Why rewards fail (<i>Kohn 1993</i>) - Effective reward system (<i>Gross and Friedman 2004</i>) - Teams have financial clarity - Teams have specific budgets - CSA issue: no monetary bonus incentive 	<p>3. PURPOSE</p> <ul style="list-style-type: none"> - Teams and individuals define purpose based on company purpose - Finding your why (<i>Sinek et al. 2017</i>) - Hedgehog concept (<i>Collins 2001</i>) - Flywheel effect (<i>Collins 2001</i>) - OKRs contribute to employee engagement, retention and long-term goals - Brainstorming and open discussions to make sure people understand the purpose - CSA issue: unwillingness to change, lack of ownership

Figure 15. The final proposal.

Figure 15 shows the changes suggested in the validation process by the key stakeholders in green. For the first element *Structure* the only change is to change the CSR role name to Customer Champion. For the second element, *Competitiveness* there are a few changes. Teams that do not have any specific collective goals like the General Circle team need to develop individual badges instead. There was also a request from the Co-Founder to emphasize the urgency on the product lifecycle gamification. Another idea that came during the validation process from the stakeholders is to develop a badge system based on training as regular studying is something that the company requires from every employee. Gamifying training is expected to increase motivation for people to quickly complete training programs instead of leaving them incomplete. For the monetary incentive program, the only change is to allocate specific budgets for the teams and increase financial intelligence within the teams.

For the third and final element *Direction and ownership*, the only addition is for the teams themselves to organize discussion and brainstorming sessions for the OKRs and the purpose finding framework.

6.5 Recommendations and Action Plan

It is recommended to proceed with the implementation of the changes gradually following the Eight Accelerator model. The company has started working on this. Team structures were changed during the pilot. Some of the key roles are missing from the teams so this means new people need to be hired to fill the gaps. Implementing the proposal also requires assigning a virtual team responsible for the implementation and champions as per the Eight Accelerators.

The timeline for the implementation of the proposal is one year consisting of four quarters. The timeline is not tied to a calendar year. New elements are introduced in each quarter. During the implementation the progress is tracked actively following the Eight Accelerators model. Below is Figure 16 illustrating the timeline.

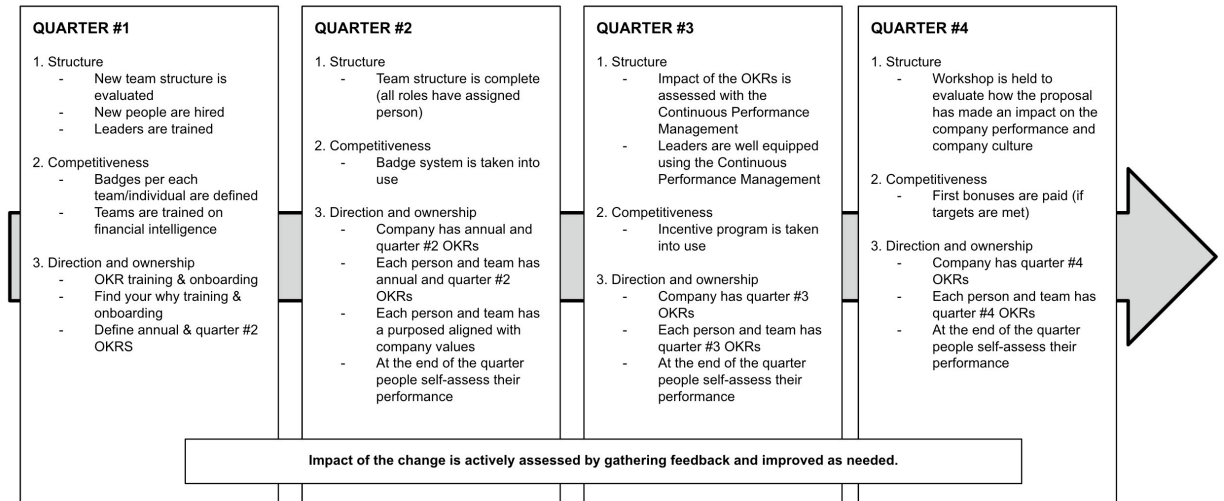


Figure 16. The timeline for implementing the proposal.

As seen from Figure 16, in the first quarter the first thing is to assess how the new team restructure implemented during the pilot is working in order to see if any changes need to be done. New people are hired, and leaders are trained. Next step is to define annual company and second quarter OKRs. The case company already has worked on its purpose and reason for its existence previously, but it needs to be revisited. Training the employees how to find their team and individual purpose and setting targets is given in the first quarter. After the first quarter the outcome is that all teams and individuals first of all know how to use the OKR framework and secondly have set their own annual and next quarter OKRs. These have to be aligned with the company OKRs. Once a quarter starts the OKRs are already defined. Additionally, people are capable of self-assessing their performance after the quarter is done. Teams are trained on financial intelligence and badges are defined.

In the second quarter the team structure is ready. The badge system is taken into use. After the second quarter is reaching its end people self-assess their own performance. This is where each Circle Lead has a big impact in assuring that it is done correctly.

In the third quarter leaders are well-equipped using the Continuous Performance Management system. There is a companywide evaluation of the impact the implementation of the OKRs has had. The incentive program is taken into use.

In the beginning of the fourth quarter the whole proposal and implementation process is evaluated to see what kind of impact it has had for not only for the company performance

but also for the company culture. If the company performance has not improved, then it is a big red sign. If people are not more engaged, motivated and competitive then it is another red flag that something is to be changed. If targets are achieved, then the first bonuses are paid.

Afterwards, when the whole proposal has been in use for a few months there is a survey and retrospective to discuss with all people together what the impact has been. Most likely there will be ideas for tweaking and developing the system further.

7 Conclusions

In this section conclusions of the thesis are discussed.

7.1 Executive Summary

The objective of the thesis was to build an implementable system for increasing “the competitive drive to win” and therefore the employee performance in an ecommerce company. The company has around 40 employees working in the Philippines, China and Singapore. Everyone is working remotely from their homes. The competitiveness already exists in teambuilding activities and the goal was to transform this behavior into the work environment. If the company manages to achieve this, it could have a significant positive impact on the company performance.

For the current state analysis, a survey was carried with the entire personnel. The key stakeholders were interviewed, and a workshop was held to gather data about the issue.

The current state analysis revealed that the key issues were lack of competitive elements, non-supportive team structure for competitiveness, and lack of monetary incentives. As an outcome, the teams are restructured so that they are more comparable to each other and have the necessary roles in order to take ownership of the full product lifecycle. This led the literature research to focus on change management, competitiveness, gamification, incentive programs and target setting.

As a result, a system was built to address the three key issues: lack of competitive elements, insufficient team structure and no bonus incentives. The system defines the appropriate team structure, meaningful target setting framework in the form of OKRs, monetary incentive program and gamification elements. It builds upon the elements that are already working on the company – like continuous improvement culture and quarterly planning – and adds new elements that will strengthen the core while transforming the business objectives to something that every person is able to contribute. The new team structure supports healthy competition between teams.

Money alone does not necessarily motivate or result into better performance, but it is part of the proposed solution as the current state analysis showed people perceive money as their main motivating factor. The outcome is a bonus system that is measured

in terms of profit that the teams achieve. The bonus system is deliberately not linked with any of the OKRs in order not to prevent people from setting high-risk-to-fail objectives and stretch goals for themselves.

The proposal was presented to the key stakeholders and was approved for implementation. It was piloted in practice in the time period that the schedule made possible.

Restructuring the teams will increase performance as teams will be able to complete the product lifecycle faster. People reacted to the OKRs very positively and it has the potential to significantly increase performance when every person in the company has inspiring targets that make them stretch. OKRs can give further meaning to their work as a way to see how they fit in the whole, and how their contribution is an important part of helping the company to make a difference and increase performance in the process.

7.2 Next Steps and Recommendations

The proposed solution is not something that can be taken into use at once. It needs a gradual roll-out process. Team restructuring has already been implemented apart from the few missing roles, but most of the proposal is not in place yet. This section describes what are the next steps needed to be done.

First, the company needs to clarify what are the company annual and quarterly OKRs. This is the starting phase for putting the OKR framework into full use. Company must be clear what it wants to achieve and that needs to be communicated in a manner that inspires people and gives meaning to their work. All team and individual goals must be aligned with the objectives of the company.

Second, based on this the teams define their annual and quarterly OKRs that are aligned with what the company is trying to achieve. Additionally, each team member defines their own personal annual and quarterly OKRs. Success of this lies very much on the hands of the Circle Leads. In the end the OKR ambassador is responsible for making sure the framework is being used properly. So, the OKR ambassador needs proper support from the founders and time allocation to follow through the progress. This includes organizing training in form of workshops that teach people how to craft OKRs successfully.

Third, gamification badges and rewards for each team need to be agreed and taken into use. This is not necessarily such a simple task, but it is important, because it has the potential to boost team play. The badges must be something that are realistic, meaningful, easy to understand yet not too easy to attain as otherwise those might turn meaningless.

7.3 Thesis Evaluation

Objective of the thesis was to build an implementable system for increasing “the competitive drive to win” and increase performance in an ecommerce company. The thesis has met its objective given that a system was built, and it has been piloted and proven to be functional. Therefore, the system itself is implementable. However, whether or not the system results into the desired outcome is a different case. Unfortunately, it is not possible to measure it in the given timeframe. It might take several years for the benefits to truly materialize. Even though the initial signs seem to imply a positive change it is still too early to see whether it is a lasting effect.

Limitations of this study include the lack of properly implementing one of the topics that the company identified as important like the OKR framework. It would have been more beneficial for the company if it would have been part of the pilot. This thesis handled a wide area of topics which then forced the focus to be thin. While it is understandable from the point of study it leaves much of the responsibility for the company itself to study these topics further. However, the framework developed in the thesis provides the possibility and direct steps for implementation.

7.3.1 Validity and Reliability

To ensure research quality, the criteria for research quality needs to be applied to a study. There are various criteria of research quality in qualitative and quantitative research. For this study, the following research quality criteria were selected. This thesis was evaluated based on validity and reliability.

In Figure 17 below Kananen (2017: 177) describes the process of validity and reliability.

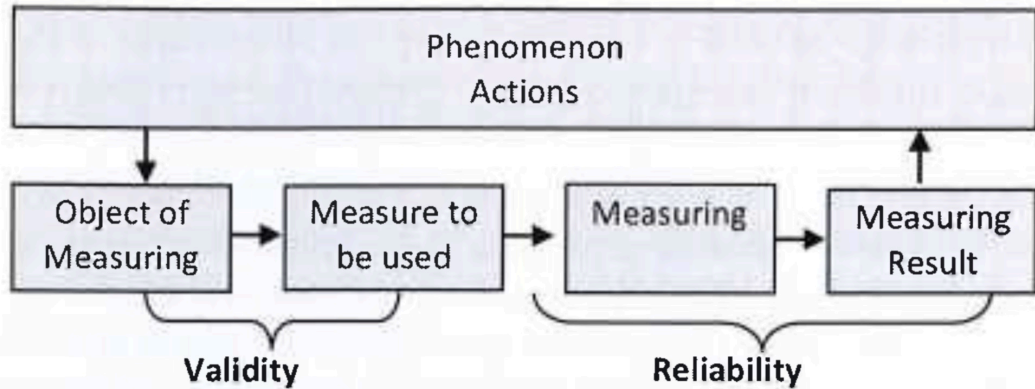


Figure 17. The credibility criteria according to Kananen (2017:177).

Figure 17 shows the credibility criteria for evaluating the results. According to Kananen (2017: 177) in design research the change that happens as a result is the most important factor. This is taken into consideration already at the planning phase and throughout the process by also evaluating what could go wrong or impact the result.

Possible threats for validity in a qualitative study include bias of the researcher, selective perception and faulty memory (Maxwell 1996). In this study, the validity was ensured by using multiple informants, multiple data sources and piloting the solution in practice. There is appropriate documentation in place and traceability including audio recordings as well as field notes.

Reliability in qualitative research includes trustworthiness and authenticity, which refer to the methods and used approaches (Maxwell 1996). Reliability includes learning and change (Guba and Lincoln 1994). In this study, the reliability was ensured by studying sources from authorized publications to see if there are industry best practice and to confirm the suggested solution with existing knowledge from the literature. For the authenticity all the stakeholders were interviewed and asked to validate the solution.

7.4 Closing Words

This thesis built an implementable system for increasing “the competitive drive to win” and performance in the case company. For what it was tested in practice it seemed to reap positive results. The competitive behavior, creativity and collaborative team spirit that the employees show in the teambuilding activities is remarkable. Whilst the pilot did

not reflect this behavior, the interest and curiosity that the employees showed towards the OKRs seemed very promising. After all, OKRs are something that give purpose and inspiring for the people themselves. It is not a top-down approach. It is something the people come up by themselves and therefore are more likely to be committed to achieving.

Changing the team structure makes it possible to launch products faster, take ownership of the whole brand and compete against other teams. It is expected not only to increase employee performance but the company performance in general. It is important team has ownership of the full category and brand in order to better understand the customers and make changes faster. Any issues that the customers face must be taken back to the suppliers. A supplier needs to feel any pain that the customer feels. The team structure is applicable as such for other SMEs selling on Amazon.

Employees mentioned they are motivated mainly by money so now there is a system for those monetary intrinsic interests to arise. However, while in reality the impact of the monetary system by itself might be minimal, it is still important to have it in place and try it out, even if it turns out to be futile. The impact cannot be known in advance before trying it out.

Gamifying the workplace with badges and rewards makes the work environment more fun and engaging. It is important the work has a purpose, but when the purpose is combined with a sense of urgency, a feeling of competing together to achieve something great, it takes the sense of accomplishment and fulfilment to a whole different level.

Today employees expect much more of their employer and job than only a few decades ago. A job is no longer merely something that provides you a paycheck. People expect their jobs to be a meaningful and important part of their lives; something that gives a purpose why they spend a third of their day at work. Companies need to have a vision and purpose that employees can emotionally connect with in order to truly be committed.

The framework developed in this thesis is not only applicable for the case company but also for other companies struggling with the same topics. Whilst the team structure and the product lifecycle are fixed on the context, the other elements are applicable even for other type of companies. It is worthwhile for any company that wants to get more out of their employees to study the system and use inspiring individual goals such as OKRs,

help employees find their purpose and build a more fun, engaging gamified work environment.

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APPENDIX 1

The survey questions to all employees.

1. What do you see as the biggest challenge(s) in our company right now?
2. Personally, what do you think we can do to address it?
3. What do you like about our company?
4. What don't you like about our company?
5. How motivated are you working here (score of 1 to 5)?
6. What motivates you? Please put these items in prioritised order:
 - a. Meaningful work / interesting projects
 - b. Career path
 - c. Team environment / being part of a great team
 - d. Freedom (autonomy)
 - e. Money
 - f. Rewards & recognition for the work
7. What will make you stay with the company for a long time?
8. How likely would you recommend working here to your friend (NPS Score)?

If we could fix/change/improve one thing for you what would that be?

APPENDIX 2

The workshop questions for the key stakeholders.

Topic: How to increase competitive drive to win in our company

1. What's stopping us from already having it now?
2. How can we tell it is not in place current? How does it show?
3. How do we know when we have it? What needs to be in place?
4. What are the issues we're struggling with?
5. What can we do to fix these?

APPENDIX 3

The summary of field notes

PM1 = Project Manager

PM2 = Project Manager

CFO = Chief Financial Officer

HR = Human Resources Manager

COO = Chief Operating Officer

LM = Logistics Manager

THE STAKEHOLDER INTERVIEWS:

Role	Identified Issues Related to the Topic
HR	Lacking rewards & recognition. Being competitive can be perceived as negative in the Philippines. Annual awarding in the summit is good
COO	Lack of ambition and career path. People are being too comfort People need nurturing, need a lot of positive encouragement Lack of leadership training
Marketing Lead	Working at home while being a mom is challenging - as compared to office where your partner can't rely on you to help Not being open about issues, people hold back
CSR Lead	People not honestly talking about their challenges, they are afraid of speaking up We don't have a Training Manager (coming up with training curriculum for each role), you cannot leave training development for the person alone It has to start with leads to instil it in their respective teams Excitement goes up when there's something new like competitions Only engaging activities, we have: summit, monthly toast, dinner. We need more
Co-Founder	People have different priorities in different teams. Sometimes there is an urgent thing to get done and noticed someone who cannot fix it, but person who can fix it is in other team and has other priorities. Quick tasks are getting slow and clunky.

	<p>Team does not care about the big picture; different teams are holding different parts of Cash Conversion Cycle (CCC) and nobody is responsible for entire CCC or lifecycle or brand development in general.</p> <p>Customer complaints and suggestions are not crucial part of product development, sales and marketing because people are in different teams and working on different products.</p>
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THE SURVEY:

Question	Summary
1. What do you see as the biggest challenge(s) in our company right now?	<ul style="list-style-type: none"> - Communication - Lack of structure and leadership - Not being able to release products and follow the checklists and focus on speed and profit
2. Personally, what do you think we can do to address it?	<ul style="list-style-type: none"> - Before they (founders) ask us to do something. They should provide the things needed. Everything should be COMPLETE (blueprint). - Let members practice the culture or collaborating openly and honestly. - Innovate - Put processes and policies around our core values - Re-structure teams with better employees
3. What do you like about our company?	<ul style="list-style-type: none"> - Everything is an open book - Good teamwork amongst employees. It is a GREAT family. - The culture of open collaboration. It's refreshing to have an employer this willing to hear everyone's voice.
4. What don't you like about our company?	<ul style="list-style-type: none"> - The pressure to come up with new ideas always - Too many calls = less time to work on tasks. - Occasional lack of accountability and leadership, the obsession over positive instead of constructive, company politics and drama, frequent changes and lack of structure leading to confusion and chaos, lack of professional development opportunities, limited people who can truly make a difference
5. How motivated are you working here?	4.04 out of 5.0
6. What motivates you?	<p>In prioritised order based on the number of votes:</p> <ol style="list-style-type: none"> 1. Money 2. Meaningful work / interesting projects

	<p>3. Team environment / being part of a great team</p> <p>4. Freedom (autonomy)</p> <p>5. Career path</p> <p>6. Rewards & recognition for the work</p>
7. What will make you stay with the company for a long time?	<ul style="list-style-type: none"> - Growth - Great people to work with, with respect towards each other to keep us motivated. It is easier to conquer all the challenges that we may encounter if our goal is to help each other, share knowledge
8. How likely would you recommend working here to your friend?	38.46 NPS
9. If we could fix/change/improve one thing for you what would that be?	<ul style="list-style-type: none"> - Lessen calls. Clear instructions. - More organized facilitation of info from training onwards. - Collaborate openly and honestly so that trust will remain intact. - Be consistent. IF change is consistent, then make sure that there's a standard in place when making changes. - Get crucial leadership roles and metrics in place.

THE WORKSHOP WITH 6 STAKEHOLDERS:

1. What's stopping us from already having it now?
 - a. PM1: "We're focusing on multiple tasks that our attention is being divided to these tasks. It builds the 'let's get this done and over with', instead of 'how can I make this better' attitude."
 - b. PM2: "When most of us are thinking about big wins and big failures only. We forget that small wins and small failures are also important."
 - c. CFO: "The trium: People (we keep on adding new people before streamlining the process yet); System (no defined system/tools, we always test out new tools/business models); Processes (we are still in the process of standardization)."
 - d. HR: "Previously lower standards of performance; current higher standards of performance have yet to be ingrained; majority's desire for utmost positivity and fear of/misconception of failure/confrontation."
 - e. COO: "One element could be ownership; do we feel part of AGL or is AGL something that is done to us. Still waiting for my bobbing head, Branded cups, T- Shirts, pens etc. This is only one element there are many more. Ownership and belonging I think are key. AGL exists on my PC it doesn't exist in my home anywhere through a physical item(s)."
 - f. LM: "People's mindset, not all employee thinks what is best for the company, some might think what's best for themselves."
2. How can we tell it is not in place current? How does it show?
 - a. PM1: "When there are misses that should have been obvious. But, due to lack of focus, it happens."

- b. PM2: "We can tell because most of us are just silent about small failures or forget to consider that small wins are actually wins."
 - c. CFO: "There's still drama, irresponsibility; so much workload, less time to implement; frequent changes on tools and processes."
 - d. HR: "Employees on PIP; the normalcy of company drama; limited star players / achievers in the organization; people spending so much time caring about what others think instead of improving themselves and outperforming their results."
 - e. COO: "Results are ok, meeting the minimum / average."
 - f. LM: "For example, sometimes when you ask opinions on channel without tag a name, only few people will provide opinions, others I feel they do not care, maybe."
3. How do we know when we have it? What needs to be in place?
- a. PM1: "When most, if not all, members of the company are proactive to notice the little things and do something about it."
 - b. PM2: "When we celebrate and when there is someone who leads it."
 - c. CFO: "All are leaders (taking lead) on their respective roles; cliché but: work-life synergy and balance."
 - d. HR: "Shift in workforce mindset; setting of ambitious yet achievable goals."
 - e. COO: "Meeting targets, 3 new toys plus 3 food launched per month and 60 sales per week of these as a minimum."
 - f. LM: "People are happy at work, no dramas."
4. What are the issues we're struggling with?
- a. PM1: "Lack of focus. Being afraid that when we change something, we think it is wrong and we just wait for other people to correct it."
 - b. PM2: "Reaching out to let people know about failures."
 - c. CFO: "MISCommunication, Missed deliverables."
 - d. HR: "Differences in orientation and communication styles which often lead to company drama; lack of clear leadership over certain teams; lack of solid onboarding technical training across roles and teams as everybody's busy to do anything else (only CSR team has a comprehensive onboarding training program) including creating materials they can educate new joiners with; lack of fundamental trainings for managers / leaders."
 - e. COO: "Structure of teams and dropping in of insiders work plus other projects such as rank tank. Not planned just kind of parachuted in then people switch to achieving the tasks but not going the extra mile. not enough positivity in the organisation, we need to raise people's self-esteem and feel good factor not make it worse, its counterproductive."
 - f. LM: "We do not see each other every day. Communication is important. Speak out."
5. What can we do to fix these?
- a. PM1: "Setting of deadlines and identifying which item/s is/are urgent and important."
 - b. PM2: "Celebrate small wins and failures."
 - c. CFO: "Separate different companies, assign people on one company alone to focus (if possible). Streamline the operations first, before adding people. Invest on inventory system."

- d. HR: "Create better structure; give tough love when needed (accountability, driving uncomfortable conversations); practice what we preach. There's teams with no people managing (difficult for accountability): Team B is by themselves (they're confused), Team A has a Lead, but she is not being a dedicated lead"
- e. COO: "Leadership training in giving positive feedback or how not to be negative, confrontation should be a positive learning experience and an opportunity to improve the business. Create a sense of ownership in the organisation - I want a bobble head. Plus, other merchandising. T-Shirt goes a long way, competition to design...? Make things that the company wants to achieve into games and fun competitions. Inject fun into work, I'm thinking of a fun way to get a volunteer for gamification presentation volunteer. Identify competitors as one of the benchmarks."
- f. LM: "Make people feel proud about being in the company."