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**A HUMAN APPROACH TO MBO:
FOSTERING A CULTURE OF CONVERSATION**

Case Company X

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TIIVISTELMÄ

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Tässä opinnäytetyössä tarkastellaan keskustelukulttuurin edistämisen vaikutusta johtamiskäytäntöjen kontekstissa, erityisesti tavoitejohtamisen (MBO) näkökulmasta. Opinnäytetyön laajuuden tarkentamiseksi työ on rajattu esimiesnäkökulmaan Yritys X:n ja johtamistyökalu Humbolin tapaustutkimuksessa. Huolimatta laajasta tutkimuksesta liittyen organisaatioviestintään, tavoitejohtamiseen sekä työpaikkavuoropuhelun merkitykseen, keskustelukulttuurin käsite on edelleen uusi teema yritysympäristössä.

Tämän opinnäytetyön tavoitteena on vastata kysymyksiin, jotka käsittelevät integraatiota tavoitejohtamisen, esihenkilön ja alaisen välisen viestinnän sekä organisaatiodialogiin välillä. Myös johtamistyökalu Humbolin rooli käytännön toteutuksessa sekä esihenkilöiden asenteet keskustelukulttuuria kohtaan ovat opinnäytetyön tutkimuskohteina. Tämän tutkimuksen empiirinen osa toteutettiin kvalitatiivisilla menetelmillä ja käyttäen puolistrukturoituja haastatteluja, jotta tutkittavien ilmiöiden moniulotteisuutta pystyttäisiin tarkastelemaan kattavasti.

Tutkimustuloksista käy ilmi, että keskustelukulttuuri voi olennaisesti tukea tavoitejohtamista esihenkilönäkökulmasta. Käytännön toteutus keskittyi Humbol-työkaluun ja organisaation jäsenten, erityisesti esihenkilöiden, osallistumiseen sekä sitoutumiseen. Tulokset kuitenkin korostivat, ettei teknologia voi korvata ihmisten välisiä keskusteluja tai kohtaamisia.

Avainsanat	tavoitejohtaminen, organisaatioviestintä, palaute, keskustelu, Humbol
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ABSTRACT

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This thesis explores the effect of fostering a culture of conversation in the context of management practices, specifically from the outlook of management by objectives (MBO). To define the focus of the thesis research, the scope of the thesis is limited to managerial perspectives in a case study of Company X and the management tool Humbol. Despite the extensive research performed on organizational communication, the MBO model, and the significance of workplace dialogue, the concept of a culture of conversation remains a novel theme in corporate environments.

Thus, this thesis study aims to answer questions related to the integration of MBO, manager-subordinate communication, and organizational dialogue. It further investigates the role of the management tool Humbol in practical implementation and managers' attitudes regarding a culture of conversation. The empirical research in this study was conducted using qualitative methods and semi-structured interviews to accurately encompass the complexities of the researched phenomena.

The research results demonstrated that a culture of conversation can substantially support MBO from the managerial perspective. The practical implementation concentrated on the Humbol tool and the involvement and dedication of the organization's members, particularly the managers. However, the results highlighted that technology cannot replace the purpose of human conversations or interactions.

Keywords	management by objectives, organizational communication, feedback, conversation, Humbol
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1 INTRODUCTION

Organizations constantly seek innovative approaches to enhance their performance and achieve strategic objectives in an era characterized by change and increasing complexity in the business environment. According to Harvard Business School professor Amy Edmondson, an organization's success requires more than talent and capability from its people. Although human capital is pivotal in fostering innovation and tackling challenges, the need for people's knowledge must be recognized. Above all, it must be shared through questions, ideas, and concerns. (Edmondson, 2019)

1.1 Background of the Research

Management by Objectives (MBO) has long been recognized as an approach to performance management, emphasizing goal setting, employee involvement, and performance measurement. However, the success of MBO implementation hinges not only on the determination of objectives but also on the organizational culture and people that facilitate its execution. (Develi, 2023) Thus, exploring the dynamics of people and their role in fostering communication and conversations to support MBO and organizational performance can provide insights into a human-centric approach to MBO.

A case company, Company X, was selected to provide an essential real-life layout for the thesis research to offer a more concrete illustration of the interplay of MBO and organizational dialogue. Amid active growth, Company X had identified a need for a more systematic approach to goal-setting and management, while a culture with open, ongoing communication and conversations was seen as an important asset in the organization's culture. In order to promote both MBO and a culture of conversation in Company X, a management tool, Humbol, was introduced in 2023 to offer a system for both aspects crucial for the business and its people. Consequently, examining both the realization of MBO, conversations, and how the Humbol system has reinforced their implementation delivers valuable data for the

thesis theme and future research as well as the case company and the system provider, Humbol.

1.2 Aim of the Research

This thesis aims to address the primary areas of interest by exploring the interplay and supportive aspects between conversational culture, and MBO, through the lens of managers in Company X. By researching also, the role of the Humbol tool, more information and practical implications on integrating and improving MBO and a culture of conversation can be offered. Hence, the principal aim of the study is to investigate how building and fostering a culture of conversation can contribute to management by objectives (MBO) and organizational success, and how the Humbol system has succeeded in combining and enhancing these aspects from a managerial perspective in the case company, Company X.

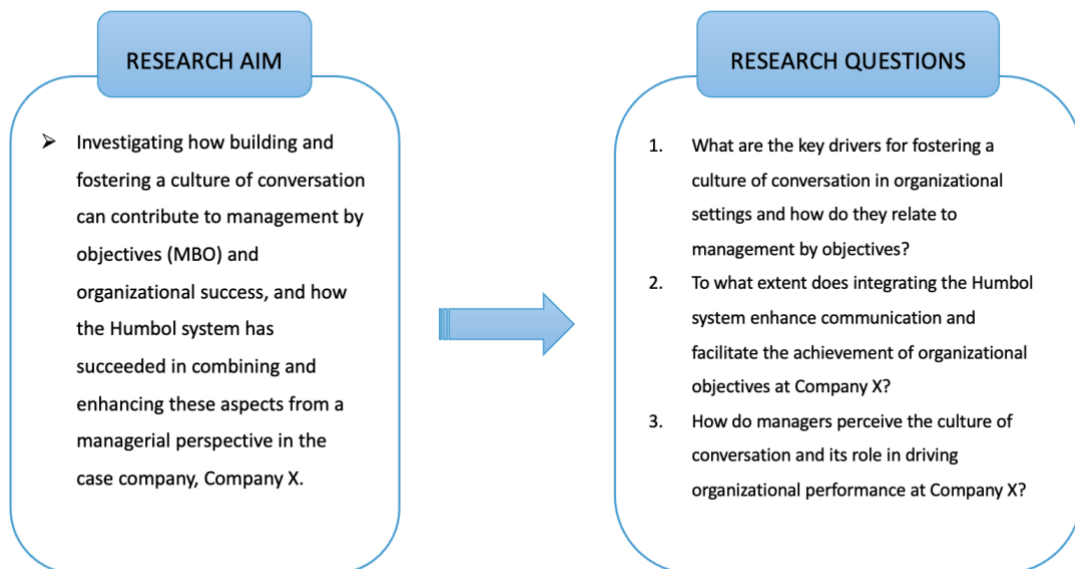


Figure 1.1 Research Aim and Questions

Based on Figure 1.1 above, the aim of the research defines the basis for the main research questions that guide the thesis study as follows:

1. What are the key drivers for fostering a culture of conversation in organizational settings, and how do they relate to management by objectives?
2. To what extent does integrating the Humbol system enhance communication and facilitate the achievement of organizational objectives at Company X?
3. How do managers perceive the culture of conversation and its role in driving organizational performance at Company X?

1.3 Scope and Limitations of the Thesis

While this research strives to define a culture of conversation as a concept and examine its implications for goal-setting and organizational performance from the aspect of management, it is crucial to acknowledge the limitations that set boundaries for the research work. These limitations offer insights into the scope of the study, simultaneously aiming to give accurate context. By addressing these constraints, a more precise understanding of the research intricacies can be provided.

The study primarily concentrates on the benefits of building a culture of conversation to better practice management by objectives in an organization. Hence, the prerequisites encouraging active and open communication will be discussed while investigating how these aspects can ultimately lead to more refined and successful goal setting and performance. Due to resource constraints and time limitations, the study might not cover all aspects of fostering a culture of conversation or comprehensively explore the elements of management by objectives. Further, these themes are explored on a more conceptual level in the theoretical section of this thesis but considered from a pragmatic viewpoint through the empirical research segment.

Since the selected case company Company X is a Finnish-based company providing industrial services in the manufacturing industry, the study is limited in its

operational scope. Specifically, the subject of investigation is the Humbol system's outcomes and its ways to enhance Company X's practices in fostering a culture of conversation to support achieved objectives in the organization. Therefore, the generalizability of the research findings is limited in other organizational settings.

Given that Humbol is a recently implemented tool in the case company, introduced to assist managers, research findings regarding the tool will be based on first impressions of user experiences. Consequently, the research will mainly be limited to the managerial perspective, and the data collection, its methods, and data analysis are adapted to this purpose. Moreover, the research aims to examine the relationship between conceptual definitions in the theoretical framework and actualized implementation in the case company.

Concerning the focal point of the research, the preferred data collection is to be carried out in a one-on-one interview format which can take several weeks of work and analysis and should be regarded while considering the time frame of the study. As the population for the sample is readily defined, also the demographics of the sample frame are limited. Further, the impact of the sample in the research context should be acknowledged while interpreting the results and discussing their validity and applicability.

1.4 Thesis Structure

The thesis at hand has been divided into seven principal chapters, preceded by the abstract that provides an overview of the thesis study. Followed by this section, chapter 1 that provides background information on the topic, outlines the aim of the research, presents the research questions, and discusses the scope and limitations of the study. The thesis structure is then outlined, detailing the subsequent chapters. Chapter 2 delves into the concept of Management by Objectives (MBO), exploring its key principles, implementation methods, and the dynamics involved. Chapter 3 examines communication in organizational settings,

discussing its functions, importance, and relevant aspects such as oral communication, effective listening, and the elements of communication.

Building upon this, Chapter 4 focuses on the significance of fostering a culture of conversation within organizations, emphasizing concepts like vulnerability, trust, psychological safety, and empathy. The research methodology is then explained in Chapter 5, covering topics such as the choice between quantitative and qualitative research, sampling techniques, data types, data collection methods, and ethical considerations. Subsequently, Chapter 6 presents the results of the empirical research, providing background information, analysis, and connections to the theoretical framework. Finally, Chapter 7 concludes the thesis, discussing principal findings, reliability, and validity and offering recommendations for further research. The thesis is supported by a list of references and appendices for additional information and supplementary materials.

2 MANAGEMENT BY OBJECTIVES (MBO)

Management by Objectives (MBO) is a strategic management approach aiming to improve organizational performance. While managers have a central role in defining and communicating organizational objectives to ensure the overall direction of a company, according to MBO theory, employees should be included in the process. (CFI Education, 2024) The fundamental view of MBO, initially presented by Peter F. Drucker, states that all efforts in an organization should be taken towards a common goal, and every member should strive to contribute to that collective purpose. (Drucker, 2011)

2.1 Key Principles of MBO

In practical MBO implementation, managers and employees specify objectives collaboratively to allocate responsibility and determine the preferred working methods. The evaluation of these steps of action and whether the objective outcomes are achieved will be performed between specified periods. (Develi, 2023) By encouraging employee participation already in the goal-setting phase and thoroughly defining expected outcomes toward individual work, organizations could increase the probability of attaining those outcomes. Recognizing the motivational aspects of individuals and how they contribute to organizational success is essential in this approach. (Collins R. W., 1972) Participation can additionally drive a sense of inclusion and commitment in the workplace. (Develi, 2023)

In the past, the MBO approach was developed, starting with “performance evaluation” and “result-oriented evaluation,” indicating that a manager’s performance was solely determined based on the accomplishment of predefined targets. Only later, the “integration” phase added the alignment of organizational and individual employees’ goals. Finally, “long-term planning” brought the aspect of considering both individual and organizational objectives in the strategic planning for the long term, which further created a basis for short-term planning.

(Develi, 2023) The most common principles of MBO can be summarized through five practices: targets defined for all roles in a company, cooperative goal definition, connecting objectives to strategy, focus on evaluation and control, and development of an inspection and reuse (Dinesh & Palmer, 1998) process.

Ultimately, MBO intends to improve productivity and streamline operations in an organization through active planning, problem-solving, and performance assessment. In addition, it facilitates the effective organization of a manager's tasks and interactions with employees, ensuring every member of a company performs their responsibilities efficiently. (Develi, 2023) Peter F. Drucker outlines this philosophy in his book "The Practice of Management" as follows:

"What business enterprise needs is a principle of management that will give full scope to individual strength and responsibility, and at the same time give common direction of vision and effort, establish teamwork, and harmonize the goals of the individual with the common weal." (Drucker, 2011)

2.2 Implementation of MBO

While Management by Objectives can be characterized as a philosophy, it is also a step-by-step process. Whereas the actualized steps vary in different literature and according to organizations' needs, core steps have been commonly recognized. Together, these steps comprehend objectives, the process performed to attain those objectives, and the screening of performance. (Miner, 2005) More specifically, the process can be divided into six steps to allow a consistent implementation throughout an organization:

1. *Defining organizational strategy and goals.* To be able to determine more detailed measures, the MBO process needs to start from the long-term strategic direction and the objectives of the whole organization.
2. *Collective goal setting.* Objectives are to be defined collaboratively amongst supervisors and subordinates in each department and team. Objectives on an organizational level and individual level are connected.

3. *Rewards based on set objectives.* To drive success and motivation, employees should be rewarded based on the achievement of their individual goals.
4. *Planning steps of action.* Supervisors and subordinates agree on the actions to be made in order to facilitate resource allocation and recognize possible areas of concern. Collective participation encourages innovation and empowerment among employees.
5. *Regular assessment of subordinate performance against objectives.* A periodic evaluation keeps managers up to date on employees' progress and is intended to find both development areas and achievements. By concentrating on the discrepancies between predetermined objectives and actual performance, superiors can better provide support and instruction to their subordinates.
6. *Evaluation of organizational performance.* Finally, the overall system will be evaluated to assess whether the planning and execution have been successful and if some actions need revision. This step is also crucial for maintaining the strategic focus and ensuring a functional MBO process. (Dinesh & Palmer, 1998)

Modern adaptations of Drucker's MBO model also highlight the significance of constructive feedback as a step in the process. Feedback encourages a dialogue between management and employees, simultaneously providing more understanding and fostering productivity and motivation among team members. Further, the step allows individual feedback to ensure that all team members are aware of their performance status and can grasp possible corrective actions. (Mooncamp, 2022)

Additionally, giving feedback is not only a tool for managers but also intended for employees. This helps members of an organization grasp how their inputs affect others in the work community and the caliber of their involvement. Hence, the

management should seek feedback in order to develop their management practices. (Indeed, 2023)

2.3 Defining Objectives

As an essential role of managers, goal setting serves as the basis for defining more precise actions to be taken to move an organization in the desired direction. The cornerstones of a company's strategic plan are defined through mission and vision statements that clarify the purpose and future target of a company. Objectives should address more practical means of how to realize a mission and vision. They serve as a fundamental component of MBO, and determining objectives effectively has a direct relation to Drucker's original definition of management by objectives. (MacLeod, 2012)

In business settings, initially proposed by George T. Doran, the SMART goal model is a popularly practiced management tool that guides the process of defining management objectives. (Doran, 1981) As shown in Figure 2.1 below, the acronym SMART commonly comes from adjectives: specific, measurable, achievable or attainable, relevant, and time-bound. These attributes are concentrated on reaching the established goals.

1. *Specific goals* aim for clarity and tangibility. They outline the desired achievements, the reasons for necessary actions, the advantages of attaining the goal, the people participating, the possible location in question, and any conditions or restrictions involved.
2. *Measurable goals* specify criteria for measuring the development of the process. They focus on the number of steps in the process and the effort actualized which will further indicate when the targets are attained.
3. *Attainable goals* ensure that the needed outcome can realistically be achieved. However, it does not translate into easily reachable goals. Instead, an ideal goal should take a whole team out of their comfort zone. Hence, "ambitious" has been suggested as an alternative option for

attainable in the SMART model. *Ambitious goals* encourage teams to question if more can be completed or achieved.

4. *Relevant goals* validate the measures to be taken. Only actions that are worthwhile, necessary, and executed at the right time and by the right people can be considered relevant.
5. *Time-bound goals* establish a target time frame for completion. This further assists in prioritizing goals, maintaining focus, and avoiding distractions when a sense of urgency is involved. (Engel & Krames, 2015)



Figure 2.1 Simplified SMART Model (Minnesota Department of Health, 2023)

Besides the traditional SMART definition, newer additions have emerged through the SMARTER approach, introducing two more attributes to the existing criteria. Professor Les MacLeod suggests that SMARTER goals should be engaging and rewarding. Engagement derives from ownership of both determining the goal and achieving it, which further translates to involvement in the goal-setting process. Additionally, rewards are an essential part of encouraging desired behavior. (MacLeod, 2012)

2.4 Dynamics of MBO

Whereas MBO offers a functional framework for managers to develop goals and enhance performance, it is necessary to discuss both the advantages and possible drawbacks to provide a holistic understanding of adopting MBO. While MBO includes multiple assets and limitations, the aim of this section is to explicitly discuss the points relevant to the research context.

2.4.1 Benefits

1. *Clarity of goals and expectations.* Due to the collaborative effort in MBO, members of the organization are able to follow what is expected from them and the anticipated achievements. Measuring and verifying the goals are crucial elements and encourage outstanding performance.
2. *Supporting managers' leadership growth.* Managers get vital opportunities to learn and develop their personal skill sets that are essential for efficiently overseeing team operations. (Jaydatta & Sheeri, 2023)
3. *Streamlining the process.* Planning and control are steps especially highlighted in the MBO approach. While detailed specifications for objectives are provided, the effectiveness of planning and control functions is enhanced.
4. *Accurate problem-solving.* MBO enables a more accessible and prompt identification of issues.
5. *Personal engagement and involvement.* MBO motivates individuals to participate in the activities that drive an organization forward. (Develi, 2023)
6. *Improved communication.* An ideal process includes regular discussions between managers and subordinates. (Levinson, 2003)

Consequently, in addition to enhancing processes and goals, MBO practices allow both management and employees to upgrade the level of their conduct while also improving the psychological aspects of the work. Supervisors have

more opportunities to assist and empower subordinates, whereas employees are more involved and active, supporting professional development. (Jaydatta & Sheeri, 2023)

2.4.2 Challenges

1. *Lack of engagement and involvement from top management.* Whether MBO practices in a company prove successful or not depends on the managers' commitment, especially the top management.
2. *Challenges in determining clear objectives affect the effectiveness of MBO.* (Develi, 2023) If the goals are not attainable or precise enough, difficulties in measuring success might arise. (Jaydatta & Sheeri, 2023)
3. *It could incorporate more reporting or written communication.* Writing work should be considered in MBO planning to prevent an increased workload. (Develi, 2023)
4. *Inadequate performance appraisals.* The roles, reasons, and topics in performance appraisals should be clear to avoid confusion and fulfill their purpose. (Collins R. W., 1972)
5. *Punishments instead of rewards.* Excessive pressure on employees or punishments for unattained targets can lead to a misconceived or wrongly implemented MBO. (Jaydatta & Sheeri, 2023)
6. *Failure to align goals with individual and psychological needs.* Measurability alone is not sufficient to make reaching objectives meaningful and motivating. The objectives should aim to be significant by connecting the managers' and employees' personal aspirations in the work.

Organizations should eliminate the inclusion of reward and punishment theory as part of MBO by fostering both individual accountability and high ethical standards. Improvement could be attained by considering the psychological underpinnings, including group evaluations and appraisals of managers by employees, and prioritizing individual goals. (Levinson, 2003)

3 COMMUNICATION IN ORGANIZATIONAL SETTINGS

Reflecting on the MBO view, the significance of organizational communication is indisputable. Communication in business settings is fundamental for any company as the organizational structure and its operations are sustained by people and based on the interactions between the members of an organization. Due to its influence, the role of communication has been compared to that of the human nervous system. Employees could be contrasted in brain cells in a company, delivering vital information to the most decisive parts of the organization's body. (Aswathappa, 2009) However, merely transferring messages is not adequate, for the content must be understood. (Robbins & Judge, 2017) Hence, communication can be described as a constant process of telling, listening, and understanding while facts, opinions, ideas, and emotions are transferred from one person to another. (Ramasamy, 2006)

3.1 Functions and Importance of Communication

In organizational settings, communication is a gateway for five principal functions: management, information exchange, feedback, emotional sharing, and persuasion. *Managing* occurs due to the hierarchical nature of organizations and is needed to guide and encourage employees to complete their work tasks and follow organizational policies. Hence, managing is utilized to administer behavior. *Information exchange* in organizations primarily supports the decision-making processes. Thus, it is a tool to obtain the necessary knowledge for recognizing and assessing options. (Robbins & Judge, 2017)

As discussed, *feedback* is directly linked to goals and reviewing performance. It aims to interpret needs and demands, level and quality of work, and measures to be taken to improve them. Additionally, it provides a channel for fostering motivation and rewards for work well done. *Emotional sharing*, facilitated by communication, includes the exchange of both positive and negative feelings. Especially crucial for teamwork, emotional sharing is an aspect of communication

that satisfies social needs. Further, *persuasion* is a method of affecting the opinions and views of other members of the organization. As emotional sharing, this function can have both positive and negative aspects. However, they are defined by intentions and whether the objectives of the persuasion can be considered ethical. (Robbins & Judge, 2017)

Moreover, when examining organizational communication, it can be contemplated from three viewpoints visible in Figure 3.1: flow, content, and impact. *Flow* addresses the effectiveness of the communication flow throughout an organization, while *content* indicates the nature of shared information and its means of reaching the target group. In addition, *impact* concentrates on the realized effects generated from communication in a company. Jointly, these features can be utilized in assessing how an organization's long-term direction is transformed into results. (Corrado;Reider;& Mapson, 1994)

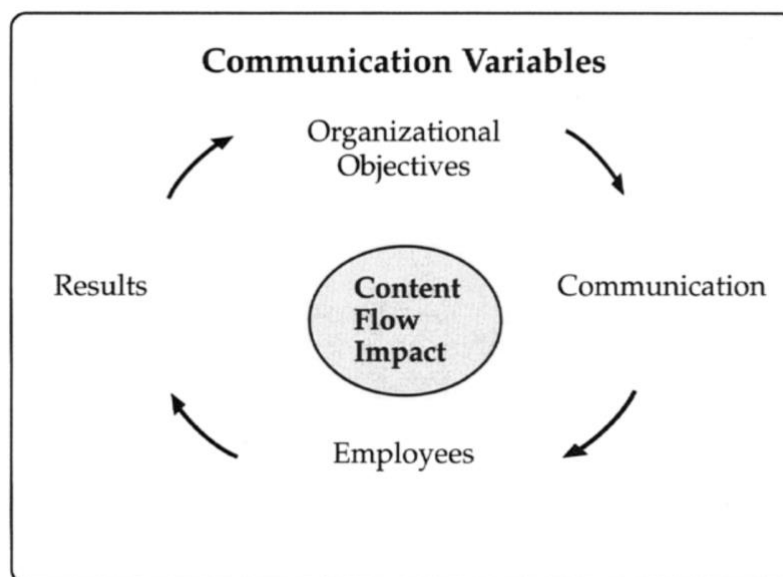


Figure 3.1 Major Variables in Organizational Communication (Corrado;Reider;& Mapson, 1994)

From a managerial perspective, communication plays a pivotal role as most managerial tasks revolve around it. The most vital functions of managing, such as

planning, organizing, leading, and controlling, would be completely unattainable without communication. Furthermore, communication is necessary for organizing and harmonizing any activities among the work community, while it also provides the only way to build and foster social relations in a workplace and ensure collaborative efforts towards a shared direction. (Rao, 2010) Especially essential in a manager's communication is how it affects psychological factors, such as employees' motivation, satisfaction, and attitudes, which ultimately influence work morale in teams. (Aswathappa, 2009)

In terms of teamwork, a good level of communication is also a requirement for facilitating positive social attitudes and group cohesion. It contributes to an environment where team members are able to assist each other in order to develop processes and grow professionally. In addition, discussions are necessary for sharing responsibility, task, and role distribution, and encouraging synergetic and effective work. Strong communication in a team creates a basis for a content and efficient workforce along with a sense of empowerment, further supporting cooperation between departments through open discussions. (Bell & Martin, 2014)

Altogether, social resources in organizations are powered through communication and visible through workplace interactions. (Hakanen, 2011) Addedly, there is a clear connection between internal communication in a company and the level of engagement among employees. Engagement is characterized by the involvement, participation, and dedication of an employee in an organization. Engaged employees are vital for companies aiming for great results as they can positively affect performance and adaptability while also creating an increasingly supportive atmosphere. Further, employees who commonly interact with their managers are especially highly engaged. In today's dynamic and swiftly changing business environment, both communication and engagement can be considered important assets. (Vora & Patra, 2017)

3.2 Role of Oral Communication

While organizations incorporate various methods of communication in their daily operations, one of the most effective and common modes of communication is oral communication. Oral communication comprehends all spoken words between communicative parties in organizational settings, including meetings, discussions, phone calls, and videoconferencing, among others. These means of communication are particularly effective as they provide a high channel richness. Channel richness indicates the ability to transfer information. As oral communication can simultaneously address several cues along with words, allow direct feedback, and include a personal connection from being present, they provide the optimal way to grasp the complete meaning of a message. By contrast, written communication, such as reports and emails, cannot similarly convey emotions or attitudes as oral communication. (Robbins & Judge, 2017)

It is important to understand the roles and elements involved in the communication process, as illustrated in Figure 3.2. The person delivering the messages, the sender, is responsible for conveying or encoding the message as intended. The person listening, the receiver, interprets or decodes the message. (Perkins & Brown, 2008) Often, oral communication does not incorporate many intermediaries, and it is delivered directly from the sender to the receiver. (Ramasamy, 2006)

Noise is an element that affects the clearness of the message. Both internal factors, such as the receiver's mind, and external factors, such as the external environment, can cause noise. In order to optimize the comprehension of the message, both noise sources should be regarded. For instance, thoughts can disrupt a decoding process internally, while loud noises or distracting comments can interrupt the process externally. Further, feedback is the response to the received information. Oral communication specifically allows senders to readjust their messages in case the feedback requests for it. (Perkins & Brown, 2008)

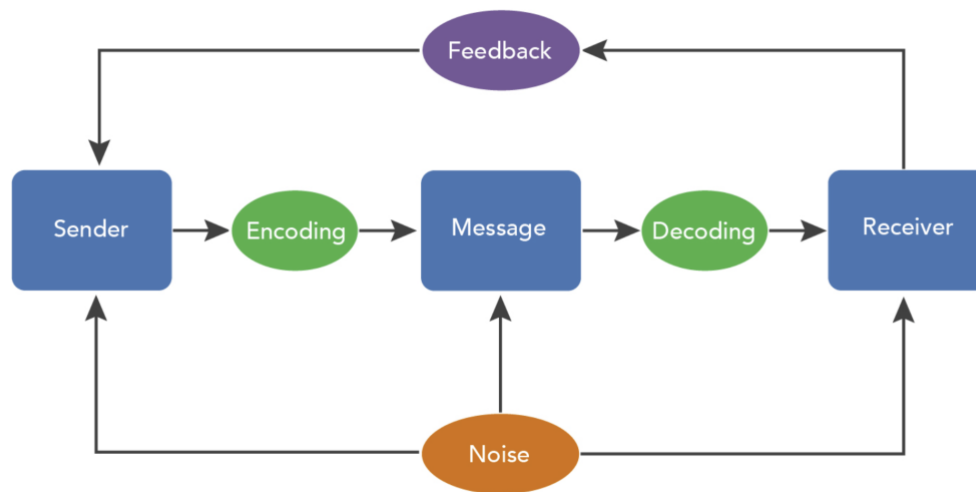


Figure 3.2 Communication Process (Freedom Learning Group, 2024)

Consequently, spoken words can create a better understanding due to their interactivity through words and gestures that can help the receiver grasp the meaning more effectively. Other beneficial traits of oral communication are the personal nature of oral communication and its effects on flexibility, speed, and motivation. In other words, it allows personal discussions, changing the words and content if necessary, and delivering urgent messages promptly. Motivational aspects can be valuable, especially in building manager-subordinate relationships, as spoken words enable improved connection and facilitate immediate motivation. (Ramasamy, 2006)

3.3 Effective Listening

One of the cornerstones of communication, especially vital for interpersonal and oral communication, is the skill of effective listening. In literature, listening to other people has been described as an art form as well as a talent due to its multidimensional but sensitive character. It serves the primary purpose of communication: to develop a mutual understanding. Most people spend 60 percent of their workdays listening. Still, ineffective listening is a common barrier to communication and is often encountered in organizational settings. (Rayudu, 2009)

Listening is not limited to an active effort to interpret the meaning behind the speaker's words, but it also includes understanding the feelings involved. Effective listening has been connected to active listening, also called empathic listening, due to its intent to read and comprehend the speaker's emotions. (Rai & Rai, 2008) Active listening promotes the quality of a conversation and aims to establish a consensus, form a connection, and expand horizons through an exchange between people. Particularly important for leading positions such as managers and executives, active listening enables uncovering purposeful and important information. Hence, active listening is essential for effective leadership and developing one's leadership abilities. (Hoppe, 2007)

In the book "Active Listening" Michael H. Hoppe outlines six central skills for practicing active listening: "paying attention, suspending judgment, reflecting, clarifying, summarizing, and sharing". These skills allow a listener, or receiver, to be present, keep an open mind, confirm, and clarify information while also reviewing and expressing one's perspective. (Hoppe, 2007) In addition to discovering more information and building relationships, exercising effective and active listening allows learning about people and their underlying thought processes, attracting more ideas and suggestions, and improving problem-solving. (Rai & Rai, 2008)

3.4 The C's of Communication

The research on improving and developing more effective communication has created the model of communication C's. These C's address the centerpieces and aspects for concentration when the aim is to deliver a compelling message. Evolved over time, the aspects considered are derived from management experts and influential business communication principles. (Sureka;Garg;& Khera, 2018)

Depending on the source, six to seven C's have been commonly discussed, addressing similar concerns in communication. According to Harvard Business School's online article the essence of effective communication forms from six

elements: “compassion, clarity, conciseness, connection, conviction, and courage”:

1. *Compassion* expresses your interest in your audience’s viewpoints.
2. *Clarity* ensures that the message is conveyed effectively also to people who are not familiar with the topic.
3. *Conciseness* enables the message to be internalized more efficiently.
4. Establishing a *connection* with the audience addresses the power of emotional involvement.
5. *Conviction* demonstrates the dedication to the object of the message, such as the success of the organization.
6. *Courage* is a way of expressing confidence, even in the face of uncertainty.

These six elements underline the importance of how the listener perceives the speaker. From a managerial perspective, they are particularly crucial when an organization is facing changes or crises. (Cote, 2023)

Another adaptation is a model of the seven C’s in communication. In addition to conciseness and clarity, other aspects often discussed are completeness, consideration, concreteness, courtesy, and correctness. Ultimately, the mentioned elements aim for the same result as the previous six C’s. The goal is to send a message that contains all necessary information and is supported by facts, acknowledges the audience, and shows attention and respect toward the people involved while also demonstrating confidence and accuracy. (Juneja, n.d.)

4 BUILDING A CULTURE OF CONVERSATION

Devoting attention to improving organizational communication and finding ways to convey messages more effectively is the first step toward creating a culture of conversation. Nevertheless, a good level of communication alone is not sufficient to build a culture that fosters conversations. It tackles more profound, intangible, and psychological aspects of the social atmosphere surrounding company members. People flourish when they cultivate meaningful connections that are established and maintained through engaging in high-quality conversations. (Weiss & Hanson, 2022)

From a company-wide standpoint, a culture of conversation translates to thoughtful, inclusive, and transparent communication and decision-making while facilitating a democratic exchange of diverse ideas across all levels and departments. On a personal level, however, it would indicate prioritizing and understanding colleagues' values, perspectives, and character rather than solely concentrating on the functionality of their role in an organization. (Weiss & Hanson, 2022)

4.1 Vulnerability and Trust

Vulnerability and trust are interlinked aspects that are significant for building a culture of conversation. (Weiss & Hanson, 2022) A researcher, professor, and author, Brené Brown has particularly explored vulnerability and trust through the lens of modern companies. In her book "Dare to Lead" Brown discusses how leadership principles centered around vulnerability, courage, empathy, and integrity can cultivate trust, collaboration, and innovation within teams and organizations. On the other hand, Brown's research unveils that evading hard conversations and disregarding the underlying issues are major hindrances for modern organizations. (Brown, 2018) These findings correlate with the ones of author Patrick Lencioni, who has suggested that absence of trust and fear of

conflict are the foundation for the most common pitfalls teams face in the workplace. (Lencioni, 2002)

Brown determines vulnerability as “an emotion experienced during uncertainty, risk, and emotional exposure”. Against prevailing beliefs, vulnerability is not equal to weakness; on the contrary, it is the courage to face uncertainties and discomfort when it is needed. Consequently, vulnerability is necessary for authentic conversations that do not avoid difficult topics. Brown characterizes conversations leaning into vulnerability as “curious and generous” and aiming to identify and solve problems while having an open mind and asking questions in order to understand better. In addition, the author emphasizes that vulnerability is needed to cultivate a sense of trust, and contrariwise. Both are necessary to develop the other. (Brown, 2018)

Trust, however, does not require major gestures or moments. Instead, it is built on actions such as “paying attention, listening, and gestures of genuine care and connection”. However, both vulnerability and trust-building encompass risks that require courage. “Choosing courage over comfort” through vulnerability includes a dedication to integrity and one’s own values. Irrespective of an individual’s values, people, notably leaders, who actively uphold their values, never avoid challenging discussions. (Brown, 2018) Moreover, leaders are responsible for showing an example by demonstrating vulnerability. This entails a leader being transparent about their weaknesses, as well as the constraints and setbacks they face. Thus, teams who foster both vulnerability and trust acknowledge their mistakes and shortcomings while being ready to depend on each other for assistance and guidance. (Andersyn, 2023)

Hence, trusting and being vulnerable can be translated to facing and overcoming various forms of fear. In workplace relations, this requires openness and conversations, which indicates erasing obstacles like silence, shame, and judgment by being present, demonstrating interest and concern, and engaging in difficult conversations and decision-making. (Brown, 2018) It reflects a readiness to take

emotional risks and show vulnerability to others. (Meyer, 2023) This is indispensable for trust and facilitating work that achieves high standards both value and performance-wise. (Brown, 2018)

4.2 Psychological Safety

A concept that also incorporates vulnerability and trust is psychological safety. While aspects of psychological safety are intertwined with human interaction, their definition and influence on business have only been determined in the latest decades. (Clark, 2020) Professor and researcher Amy Edmondson conceptualized psychological safety as an environment where individuals feel at ease expressing themselves without experiencing fear of judgment or punishment. Hence, it creates a climate where people feel comfortable communicating their thoughts, views, and ideas openly and authentically. This does not translate to an atmosphere where mistakes or concerns do not occur. Instead, a psychologically safe environment allows asking questions and reflecting on errors. (Edmondson, 2019)

To create a culture of conversation, a psychologically safe environment is particularly crucial as it lets all individuals of an organization feel comfortable discussing, even when concerns or issues must be addressed. (Inclusivv, 2023) In business settings, Edmondson describes that “in a psychologically safe environment, people feel willing and safe to take the interpersonal risk of candor”. In an environment like this, people are more afraid of not participating and bringing forth their thoughts and ideas than “sharing a potentially sensitive, threatening, or wrong idea”. (Edmondson, 2019) In other words, psychological safety encourages inclusion, learning, and contribution and allows challenging conventional practices. Hence, individuals thrive in a collaborative environment characterized by a strong sense of psychological safety. (Clark, 2020)

As psychological safety is one of the prerequisites for building a culture of conversation in the workplace (Weiss & Hanson, 2022), it is vital to understand the

conditions for a psychologically safe environment. On an enterprise level, Edmondson references this type of enterprise as “a fearless organization” where leading positions have a key role in guiding the organization in this direction. On a more concrete level, Edmondson suggests a set of methods for leaders to consider in order to promote psychological safety in an organization. (Edmondson, 2019)

Edmondson’s set illustrated in Figure 4.1 consists of three steps: “1. Setting the stage, 2. Inviting participation, and 3. Responding productively”. Firstly, the aim of *setting the stage* is to establish common expectations and purpose in the work community. To achieve this, leaders should define prospects concerning risks and interdependence in teams to explain “the need for voice”. Furthermore, by discussing and highlighting the intentions and importance of the work, also the stakeholders, and the purpose of the efforts are considered.

Table 7.1 The Leader’s Tool Kit for Building Psychological Safety.

Category	Setting the Stage	Inviting Participation	Responding Productively
Leadership tasks	<p>Frame the Work</p> <ul style="list-style-type: none"> ▪ Set expectations about failure, uncertainty, and interdependence to clarify the need for voice <p>Emphasize Purpose</p> <ul style="list-style-type: none"> ▪ Identify what’s at stake, why it matters, and for whom 	<p>Demonstrate Situational Humility</p> <ul style="list-style-type: none"> ▪ Acknowledge gaps <p>Practice Inquiry</p> <ul style="list-style-type: none"> ▪ Ask good questions ▪ Model intense listening <p>Set up Structures and Processes</p> <ul style="list-style-type: none"> ▪ Create forums for input ▪ Provide guidelines for discussion 	<p>Express Appreciation</p> <ul style="list-style-type: none"> ▪ Listen ▪ Acknowledge and thank <p>Destigmatize Failure</p> <ul style="list-style-type: none"> ▪ Look forward ▪ Offer help ▪ Discuss, consider, and brainstorm next steps <p>Sanction Clear Violations</p>
Accomplishes	Shared expectations and meaning	Confidence that voice is welcome	Orientation toward continuous learning

Figure 4.1 Leader's Tool Kit for Psychological Safety (Edmondson, 2019)

Inviting participation assures that speaking out is encouraged. When a person in a leading role demonstrates humility and curiosity while expressing genuine interest in subordinates’ opinions by actively listening and asking questions, positive attitudes toward participation are developed. Creating structures and processes facilitates speaking out in practice. (Edmondson, 2019) It is essential to notice that

even top leaders do not have all the answers. Instead, seeking information and ideas from others is a tool to discover valuable insights. (Collins J. , 2001)

Finally, Edmondson outlines that *responding proactively* includes actions of appreciation, normalizing failure, and penalizing evident breaches. These actions cover acknowledging, foreseeing, assisting, discussing, and planning as a leader, striving for continuous learning. Moreover, fair leaders are a sign of psychological safety, and violations should be handled appropriately and equally. Together, Edmondson's methods allow leaders to display behavior that invites psychological safety to the work surroundings (Edmondson, 2019) and engages people in sincere and active conversations. (Weiss & Hanson, 2022)

4.3 Role of Empathy

Over the years, empathetic communication has become increasingly important and desirable in business settings, while empathy as a skill has also been recognized as one of the most crucial ones of a leader. (Schwartzberg, 2022) Further, a lack of empathy could detract from trust in an organization. (Brown, 2018) Successful communication relies on the fundamental ability to comprehend the thoughts and feelings of others. (Hoerr, 2022) However, to understand another person genuinely, empathy is a necessity. Enhancing both empathy and communication can be achieved interactively; improving communication skills contributes to the development of empathy, and vice versa. (Koch, 2022)

Social philosopher Roman Krznaric defines empathy as follows: "Empathy is the art of stepping into the shoes of another person, understanding their feelings and perspectives, and using that information to guide your actions." (Krznaric, 2014) Lack of empathy, on the other hand, leads to issues like avoidance, distance, and cognitive and emotional barriers, which hinder the effects of communication and further understanding, learning, and valuing others. (Hoerr, 2022) It is essential to understand that empathy is a skill that every person is able to practice and expand. On the contrary to common beliefs, it is not tied to personality or gender. Instead,

it is a skill built around goodwill and an ability to separate one's own will from another person's need. Hence, it allows a person to act in a way that considers others' standpoints and further promotes the success and well-being of those in the same social surroundings. (Pakkanen, 2022)

As previously considered regarding psychological safety, to welcome various views in a workplace and promote inclusion, premature judgment must be prevented. (Koch, 2022) Given that empathy encompasses abilities such as self-control, consideration, and self-reflection (Pakkanen, 2022) , it can facilitate openness and restrain internal interruptions, like judgment, when listening to other people's words. (Koch, 2022) Consequently, empathy prevents misunderstandings (Mehigh, 2023) while allowing better interactions and responses, which further contribute to building trust and respect in the work community. (Pallapa, 2021) When all the members of the community know that they can rely on their colleagues, teams are prone to collaboration and willing to take risks essential for growth. (Brown, 2018)

Managerial work is challenging, multidimensional, and demanding, but it is concentrated around an environment that consists of people. Consequently, empathy is the key to developing leadership as it incorporates a sense of human understanding and genuine care (Valadon, 2023) and underlines the significance of communication abilities in a leadership position. Managers also demonstrate an example of workplace communication, and an empathic leader can transmit the positive effect of empathy to others in an organization. (Pakkanen, 2022)

Considering the named dimensions, empathy offers both diverse and extensive advantages for any organization or community. Economist and researcher Miia Pakkanen proposes ten principal benefits of empathy in work: economic viability, well-being, adaptability, cooperation, higher quality of customer service, innovation, learning, work engagement, employee commitment, and significance of work. Forming the basis for all these benefits are research findings that prove

that empathy and its positive impact enhance the mindset, abilities, and performance of an organization's members. (Pakkanen, 2022)

Therefore, encouraging empathy in workplace interactions not only improves the social aspects of work but also acts as a driver for competitiveness and success. (Koch, 2022) Nonetheless, empathy plays a significant role in creating a positive and supportive atmosphere for improved communication, diversity, and inclusion in the workplace. This is an environment where everyone can feel heard, understood, and valued. (Mehigh, 2023)

4.4 Culture of Conversation and MBO

After delineating aspects included in a culture of conversation, essential for this research is to understand where it intersects with management by objectives (MBO). As outlined, enhanced and transparent discussions are an apparent result of a sustained culture of conversation, while they are a requirement for effective MBO. Therefore, in a culture where different ideas and views are welcomed and listened to, the importance of giving and receiving feedback to address issues and develop the quality of the work in MBO can be improved.

As previously discussed, aspects of psychological safety and empathy ensure that the provided feedback can be both positive and constructive since it can be delivered without judgment. When values guide the way of providing feedback, the risks of shame and blame can be reduced. (Brown, 2018) Drawing from the prior chapter, when a culture of conversation is embedded in the organizational culture, managers have a pivotal role, and everyone is involved in regular interactions which eliminate information gaps and promote commitment from all individuals in the work community, involving managers and executives.

Moreover, as noted, a culture of conversation facilitates equal and quality conversations between subordinates and superiors since it enables an environment where people in leading positions can feel comfortable showing

vulnerability and not having all the answers. Empathy, on the other hand, promotes better understanding and responses to others' perspectives (Mehigh, 2023) , which can be significant support in feedback situations, to provide feedback most beneficially while building better relationships and enhancing the work itself. (Leak, 2019)

While problem-solving is vital for advanced performance, innovation and brainstorming are also necessities for resolving problems. Due to the incorporation of psychological safety in a culture of conversation, obstacles can be recognized in advance, novel ideas can be suggested openly, and innovative methods can be discovered. Hence, a culture of conversation can still progress growth and performance through regular conversations that further proactively identify obstacles and encourage innovation. (Edmondson, 2019) Additionally, through better communication and a sense of understanding, employees can feel heard and valued, which fosters increased productivity. (Mehigh, 2023)

Ultimately, a culture of conversation cultivates workplace collaboration and inclusivity while creating an atmosphere where accountability, trust, and respect are prospering. (Weiss & Hanson, 2022) Adopting a culture with these characteristics and continuous discussions aligns with the foundational principles of MBO that underscore the significance of employee commitment, enhanced organizational communication, collective goal setting, and improved performance. (Develi, 2023) The key to success or improved performance is not merely adopting practices but giving attention to the human element and having conversations that lay the groundwork for further development in an organization. (Squirrel & Frederick, 2020)

5 RESEARCH METHODOLOGY

While research concentrates on seeking new knowledge, it is not limited to existing information. Instead, it aims to gather and analyze data to examine phenomena connected to our relevant interests, attention, and concerns. The process itself combines aspects of study, inspection, analysis, reasoning, and design. (Chandra & Haarendran, 2017) Thus, research introduces original perspectives to advance the current understanding of the subject matter. (Kothari, 2004) Quantitative and qualitative research methods are two distinct approaches for data collection and analysis, whereas considering both methods supports the awareness and construction of a planned research according to the gathered data and research objectives. (Grand Canyon University, 2023)

5.1 Quantitative vs. Qualitative Research

Quantitative and qualitative research differ eminently in terms of the objectives toward which their methodologies are oriented. *Quantitative research* concentrates on data that can be measured or counted. Hence, the data collected through quantitative research is primarily used for statistical analysis and expressed through numerical information. The research is predominantly structured to evaluate hypotheses, facilitating educated generalizations and predictions based on prior behaviors. (Franklin, 2012) Consequently, quantitative research can be utilized as a tool for determining averages as well as examining correlations between variables. (Williams, 2021)

Compared to qualitative methods, quantitative research is less adaptable, with consistent techniques and procedures for managing and addressing data. Due to the established and acknowledged procedures with a scientific perception, quantitative methods are highly favored in social science research. (Kuada, 2012) To generate measurable or orderable data, research can utilize techniques such as questionnaires, experiments, or controlled observations. (McLeod, 2023)

Qualitative research involves documenting, analyzing, and comprehending data to unveil the deeper connotations and importance of observable variables. In contrast to quantitative research, there are no clear hypotheses or predetermined expectations for the research. Instead, the responsible researcher investigates theories or patterns using a set of rules or theoretical frameworks as the guiding principles for their work. (Chandra & Haarendran, 2017)

Therefore, the primary objective is directed toward new viewpoints on the events and aspects under examination instead of affirming preexisting assumptions. In addition, the research participants are provided with an opportunity to articulate perspectives and emotions in their own terms, which could further introduce topics or issues crucial to the research. (Kuada, 2012) Given the objectives inherent in qualitative research, data collection occurs non-statistically, encompassing experiences, perspectives, interpretations, conceptualizations, or definitions that cannot be conveyed numerically. The methods include focus groups, observations, and interviews. (Franklin, 2012)

Due to the multidimensional phenomena, such as conversation dynamics and managerial perceptions, being examined in this thesis research, qualitative methods were selected as the principal approach in the research conduct. To capture extensive and diverse insights into the research topic, the empirical part of the process was executed through qualitative interviews to offer a deeper understanding of the complexities involved in fostering a culture of conversation, organizational goal setting, and management by objectives.

5.2 Types of Data

Data collected for research can be divided into two categories: primary and secondary data. *Primary data* encompasses firsthand data collected by researchers for the explicit purpose of their research. The information is gathered directly from the source through methods such as surveys, interviews, observations, or experiments. Consequently, primary data offers researchers both

relevant and customized information according to the research objectives. (Kothari, 2004)

Secondary data, on the contrary, involves information that has been previously collected and compiled for purposes other than the researcher's current study. It incorporates published sources such as academic journals, government reports, books, or databases that further provide researchers with existing knowledge, examined, or analyzed by other researchers. However, unpublished sources accessible through public or private individuals or entities can also be utilized as secondary data. (Kothari, 2004)

Although secondary data can provide valuable insights and is often more accessible and cost-effective than gathering primary data, researchers must consider the use of secondary data carefully. The quality, adequacy, and relevance should be aligned with the particular research inquiries. Overall, combining both primary and secondary data sources often generates a more comprehensive understanding of the research topic. Primary data includes specific, firsthand insights, while secondary data provides a broader contextual understanding and supports the findings. (Kothari, 2004)

In the thesis study at hand, both primary data and secondary data were incorporated. Primary data was collected solely for research purposes through individual interviews conducted by the thesis author, mainly in cooperation with Company X but also with the co-founder of Humbol. Secondary data in this study was acquired from physical books dedicated to relevant, theoretical themes in the study, as well as electronic books, and articles from journals, periodicals, and online sources. To find the most applicable secondary data, the database of Finna from the library Tritonia was primarily utilized. Simultaneously, Google Scholar served as a supportive database in the secondary data collection process.

5.3 Data Collection – Interviews

Interviews are an especially pivotal tool in research, and particularly in qualitative studies, they have a strong emphasis on understanding the perspectives and lived experiences of the participants. (Denny & Weckesser, 2022) Interviews have been characterized as discussions with an aim, and they can be performed through various methods such as in-person interviews, phone interviews, or video call interviews. There are several principal approaches in structuring and forming interviews, primarily based on the research objectives. These approaches can be divided into more formal interviews, including structured interviews, semi-structured interviews, and informal interviews, specifically unstructured interviews. (Franklin, 2012)

Structured interviews are the most formal category of interviews with precisely formatted, predefined questions and thoroughly controlled documentation methods. (Kothari, 2004) Hence, they are the most suitable for acquiring information in a controlled manner and when clear answers are required, for instance, in market research. *Semi-structured interviews* are the most common way of interviewing as they allow predetermined questions for the interview situation while also providing flexibility. (Franklin, 2012) In practice, they follow a set of questions freely, while additional questions can be included to explore certain themes or areas of interest. Semi-structured interviews aim to collect distinct data from all interviewees. (Merriam & Tisdell, 2015)

Lastly, *unstructured interviews* allow the highest degree of freedom and flexibility as there are no fixed questions or formalized procedures to document the information. (Kothari, 2004) The flow of words between an interviewer and an interviewee is more conversational, and the aim is to explore new phenomena. Unstructured interviews are particularly used when the area of interest is unfamiliar and formulating relevant questions is challenging, or the objective is to provide supplementary data for further interviews and research. (Merriam & Tisdell, 2015) Unstructured interviews can provide valuable insights into emerging

phenomena and trends, but a lack of structure generates answers that are more difficult to compare and analyze, and the interviews set high requirements for the interviewer's skill and efforts. (Kothari, 2004)

For this thesis research, semi-structured interviews enabled the optimal data collection methods due to their flexibility in capturing the dynamics of a culture of conversation and management by objectives (MBO) within Company X. By allowing participants to freely express their experiences and perspectives, semi-structured interviews facilitated a more profound analysis of the interconnections between these elements. Additionally, including diverse perspectives and an opportunity for additional questions ensured a comprehensive examination of the factors contributing to the success of the Humbol system from a managerial standpoint. To provide more background for the research results and introduce the relevancy of the Humbol system in the thesis context, also a brief interview with Humbol's co-founder was included in the data collection. The interviews generated rich but accurate information to serve the study's aims and objectives.

5.4 Sampling

As researching the population as a whole is challenging and often unattainable due to resources, sampling is the means to define a representative subset of individuals or units from a larger population for research purposes. (Kothari, 2004) The sampling process involves delineating the population of interest, in other words, the objects of study such as people, entities, or items. From the determined population, a researcher is able to specify the accessible segment and final sample included in the research. (Bhattacharjee, 2012)

In order to conclude the final sample, it is essential to consider a relevant sampling technique. Commonly, the two conventional sampling techniques are probability, or so-called non-zero probability sampling, and non-probability sampling. *Probability* sampling encompasses that each individual or unit in the defined population has an equal opportunity to become a part of the sample. The sampling

includes a random choice at a certain point in the process. *Non-probability sampling* suggests that not all individuals or units in the population possess an equal chance for selection. Participants are often selected according to specific, readily available, or convenient criteria to the researcher. (Bhattacharjee, 2012) Whereas probability sampling is more generalizable, non-probability sampling is often more practical when certain subgroups are of particular interest. (Kothari, 2004)

As this study specifically focuses on examining the implementation of the Humbol system for building a culture of conversation and serving the purpose of MBO within Company X, the sample population and frame were delineated by the organization's members and the system users. Furthermore, given the research scope, which primarily targets managerial views and initial users of the Humbol system, the interview sample encompasses managers who have firsthand experience with the system within the case company. Consequently, the sample was determined through non-probability sampling. In other words, some individuals in the population and sample frame were naturally excluded from the research sample to maintain the necessary focus. Thus, the realized sample consists of 10 managers, considering the previously mentioned requirements and limitations. Non-probability sampling serves the research aim and perspective optimally while considering the scope of the study.

5.5 Ethical Considerations

At every stage of the research process, ethical considerations assume a paramount role. Upholding ethical standards, particularly in data collection, not only ensures the integrity and validity of the research findings but also protects the rights and well-being of the participants involved. Research ethics are dedicated to the truth by exploring knowledge with integrity, avoiding errors, and providing accurate information. (Chandra & Haarendran, 2017)

Research often involves other people and collaborative aspects, which highlights the need for mutual respect, trust, and accountability amongst the participants or individuals associated with the research. Ensuring privacy when handling sensitive information and considering copyright policies and patents secures intellectual ownership in research where other individuals are affected. Furthermore, researchers are responsible for their conduct during research, ensuring methods that are adapted to policies and ethical considerations while undertaking a study. (Chandra & Haarendran, 2017)

Universally, research that follows ethical conduct should contribute to these principles: honesty, frankness, integrity, carefulness, respect for intellectual property, confidentiality, responsibility, equality, and considering subjects of protection. In practice, this translates to eliminating plagiarism, personal biases, discrimination, and harm of any kind. Researchers should further be open to feedback and new perspectives while remaining consistent and sincere throughout the research work. (Chandra & Haarendran, 2017)

Throughout the research process, crucial measures were implemented to uphold ethical considerations. The participants received detailed information about the research, its purpose, and methods before voluntarily agreeing to participate in the research. Confidentiality and privacy, minimizing potential risks or harm, conducting data analysis, and reporting with integrity were highly prioritized by the thesis author. Open communication channels were offered for the research participants, whereas the thesis author also engaged in communication and meetings with their supervisor to reflect on and consult about emerging issues, further ensuring ongoing ethical awareness. Collectively, these efforts secured the integrity and reliability of the research findings while placing a priority on safeguarding the rights and well-being of participants.

6 RESULTS OF THE EMPIRICAL RESEARCH

Centered on the methods and actions introduced in the previous chapter, this chapter focuses on discussing and analyzing the content and implications of the qualitative interviews with the managers of the case company, Company X. To offer a view of the role and application of the Humbol system as a managerial tool, and how it relates to the key research aspects in Company X, also an introduction to Humbol is included.

6.1 Background

Based on an interview (2024) with the co-founder of Humbol, Andy Lundström, the primary purpose of the management tool, Humbol, originated from the non-utilized potential within managerial work in organizations. The aim was to connect the most fundamental responsibilities of a manager: continuous and meaningful conversations, defining clear objectives, and providing regular feedback, into one system. The following dimensions were recognized to support organizations in the context of Humbol. Firstly, structured conversations assist companies in leading a significant dialogue. Secondly, the time for the conversations must be reserved and actualized. These elements also help in monitoring and ensuring the completion of the planned conversations.

Thirdly, in order to facilitate meaningful discussions, the topics must be centered around important and relevant matters. To achieve this, the managers must adequately prepare for the conversations. Fourthly, the conversation must generate an output such as an action or a created objective. Moreover, the fifth consideration involves measurability, emphasizing the active tracking of the previously mentioned dimensions. Lastly, the sixth consideration highlights the involvement of the executives in an organization. To develop the process, an executive or executives must be in charge while other managers support and guide by example. Together, these aspects enable companies to benefit from the Humbol system at the optimal level. (Lundström, 2024)

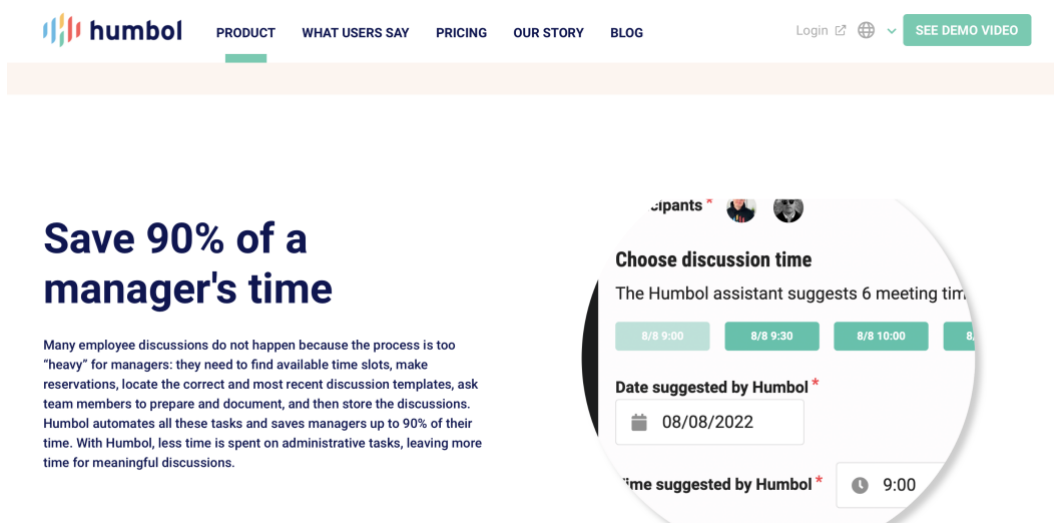


Figure 6.1 Product, Humbol Official Website (Humbol, 2023)

In practice, Humbol's functionalities assist this process by providing templates and allowing the creation of self-made templates for development discussions, one-on-one meetings, and team meetings. Moreover, the frequency between the discussions is defined on Humbol, and the system sends reminders accordingly. Using a calendar, Humbol streamlines the process of scheduling discussions by automatically finding suitable times for participants, sending invitations, and making calendar reservations. This streamlined process enhances the role of managers. Before the conversations, Humbol asks the participants to prepare for upcoming meetings by reflecting and answering questions in advance. Based on the conversations, the system also allows adding tasks and goals that stay in the system for future discussions and create continuity and consistency. Thus, Humbol provides a considerable amount of data about whether the necessary dimensions are completed, the quality of the process, and the results. (Lundström, 2024)

In Company X, Humbol was introduced in 2023 and implemented gradually top-down in the organization. As a relatively newly implemented tool, the qualitative interviews also aimed to provide information on the perceived added value of the system. Overall, Humbol grasps and supports the essential aspects of implementing and maintaining continuous conversations and effective practical

goal setting. However, it also demands commitment from the organization's side, particularly those in leading positions. This is why the role of management is pivotal and remains the focus of the research while investigating the views on management by objectives and the development of a culture of conversation in Company X.

6.2 Interview Results

To start the qualitative interviews while maintaining the anonymity of the interviewees, a set of background questions was included to provide context to the interviewee's characteristics and experience. Further, these background findings served as the basis for any comparative analysis of the principal interview questions. Hence, the background information was categorized into gender, age, work experience in Company X, and overall managerial experience, as shown in Appendix 1.

Among the ten managers interviewed, four of the interviewees were women, whereas six were men. The average age of the interviewees was 43,3 years, making 60% of the managers over 40 years old. The average age of female respondents was 42,5 years old, and the corresponding average with male respondents was 43,8 years old. Additionally, the average years in Company X amounted to five years, while the average years of managerial experience totaled 11,3 years. Yet, the years of managerial experience varied considerably, from 1–3 years of experience to 20–30 years of experience. However, half of the interviewees had over eight years of experience in a managerial position.

6.2.1 Management by Objectives in Company X

Based on the managers' views, the central themes concerning objectives focused on their role in guiding and prioritizing plans and actions in the organization. Every interviewee mentioned that in Company X and their work, objectives lead the work direction, which further affects individuals' tasks and should eliminate

unnecessary efforts in order to align the work with the most crucial goals. Further, seven of the interviewees mentioned that a company's strategy is the basis for all other objectives. These interviewees highlighted the significance of having a shared direction and purpose for the work while ensuring that all employees understand their contribution to the overall strategic goals. Furthermore, four of the interviewees added that the organization is still in the process of practicing goals, although the development curve has been ascending. Two of the managers also added that goals should consider improvement aspects, whether individual development of employees or enhancement of work practices. Often, the nature of the work already sets non-negotiable targets, but objectives for improvement and the process of goal setting itself should be continuously reviewed and refined. (Question 4, Appendix 1)

According to the interviewees, goals should not be overly ambitious but not excessively easy to accomplish. Instead, they should have a sensible balance between the two, consider the current status of a team, and be achievable while motivating employees. A particularly recurring theme amongst the responses was dividing larger, strategic goals into objectives that are relevant for the responsible employees. Objectives should be clear regarding responsibility areas while being concrete and transformed into everyday tasks. Altogether, objectives should give each employee a sense of input into the organization's long-term vision.

Additionally, the managers tackled the issue of accurately defining and assessing objectives, highlighting the difficulty in determining distinct yet measurable objectives, which was perceived as challenging. The answers also indicated that with individual employees, the definition of objectives also varies as it should consider individual factors and preferences, such as the number and size of milestones for a single goal. To operate effectively, some employees might require only one broad objective while others might demand more divided targets. (Question 5, Appendix 1)

When comparing the answers from the context of the interviewees' backgrounds, gender, age, work experience in Company X, or managerial experience did not significantly impact the different perspectives on the concept of management by objectives. The interviewees had broadly the same views on the most crucial topics regarding goal setting, and all interviewees experienced that objectives have a vital role in their work and Company X. From this view, some of the interviewees emphasized the position of individuals, whereas others highlighted the organizational objectives, and some of the managers mentioned both. However, no notable links to the background could be identified.

6.2.2 Communication and Feedback in Company X

All interviewees experienced that communication has a significant role in Company X, especially in-person encounters, and listening skills were emphasized as part of managerial responsibilities:

“Listening is probably one of the most important skills, and it is highlighted in managerial work as managers are often extremely busy. It would be easy and nice to go straight to the solution, but if you don't listen well, you can actually solve the matter incorrectly.”

Six out of ten managers also mentioned that the organization itself highlights the meaning of communication and conversations and how other people are encountered. One interviewee approached this view by mentioning that good communicators in the company have naturally selected to be managers, whereas another interviewee said that Company X has been the best communicator during their career. However, it was also mentioned that the organization's recent growth has challenged the flow and implementation of effective communication, which is an aspect that requires active attention from the managers going forward.

In addition, six interviewees also expressed that communication should always be developed in Company X, as its role is vital. Four of the managers noted how in-person and oral communication allow immediate feedback about the

communication content and messages, which facilitates learning, task success, and teamwork and reduces the risk of conflicts and misunderstandings. This further promotes the level of productivity in the company, for instance. Although the managers found that platforms like Microsoft Teams and other communication channels such as email or intranets assist, the time managers put into conversations is necessary and valuable for the success of individuals, teams, and the overall organization. With online messages or publications, additional problems can stem from not reaching the correct target groups or stakeholders or conveying the message effectively.

Half of the managers stated the importance of listening, and two of them also talked about the significance of asking questions to encourage an employee to articulate the most relevant and essential matters in the moment. As a manager, in order to support your team members in the most accurate way, it is necessary to be aware of the concerns and views of the subordinates. The position of managers as communicators and facilitators of communication in the company was addedly emphasized by six managers. (Appendix 1, Question 2)

To enhance conversations and the process of giving feedback, the most repeated themes were reserving the time to meet your subordinates and incorporating questions and topics outside the work to create an atmosphere for open discussion and getting to know your team members. Giving space and encouraging subordinates to do the speaking and focusing on them was experienced as a crucial factor when considering discussions and feedback from the managerial view. In this aspect, the importance of listening was once again highlighted, particularly in the form of being present in conversation situations as a manager. In this way, the manager can also find the optimal means to support and help their team as individuals.

Four interviewees mentioned that feedback should be provided as soon as possible, and the feedback topic should be tackled openly and actively, whether the content was positive or negative. Two of the responses also stressed the

meaning of positive feedback and that it is said out loud. Implementing discussions can be particularly challenging in teams where some or all team members work in different cities or countries. However, it is still extremely crucial that those discussions are prioritized. Moreover, preparing was seen as a facilitating factor in development and feedback discussions. (Appendix 1, Question 3)

While analyzing the answers from the perspective of the interviewees' backgrounds, a difference between the genders could be recognized. With question 2 (Appendix 1) dealing with the significance of communication in Company X, male respondents approached the question from the organization's point of view. In contrast, female respondents emphasized the role of individuals. With male interviewees, the shared views concentrated on how the organization drives or affects communication and, conversely, what the impact of communication is on the company. Female interviewees, however, focused on how individuals can enhance communication with their actions, especially in a managerial role.

6.2.3 Culture of Conversation

The interviews commenced with a question about the effect of a culture of conversation on achieving organizational objectives. Every interviewee agreed that a culture of conversation has a considerable impact on objectives and completing the set goals. Ensuring clear discussions concerning objectives, the responsibility areas, and how they are connected to the company strategy were seen as benefits of a conversational culture. Through this kind of culture, objectives could be communicated more effectively. The managers noted that instead of just bringing out goals in conferences or emails on an upper level, explaining and discussing the goals with team members clarifies the expectations and supports feedback. Subordinates can also voice their thoughts and concerns related to objectives, which was also perceived as a crucial aspect. (Appendix 1, Question 1)

When discussing how to create the atmosphere for open conversations as a manager, four recurring themes were trust, openness, giving time and space for subordinates to talk, and asking questions. The interviewees stressed that trust and openness are heavily built on how managers communicate with their subordinates and that they openly share their thoughts and feelings. Even something that could be considered personal, bringing forth your own concerns or admitting your mistakes can create an atmosphere where a team member feels that they can be candid about the matters on their mind, even if they would be more challenging topics. Trust was a central issue that was mentioned by seven interviewees out of ten. The interview answers also emphasized that an open atmosphere is created by being non-judgemental and listening thoroughly before responding. A manager's example was, once again, seen as significant.

A manager's role was further seen as important in ensuring that all team members get the time to voice their thoughts, whether in individual discussions between managers and subordinates or in team meetings. Hence, in both situations, managers could guarantee that everyone's opinions are heard through questions and proactively bringing forth any challenging matters that might occur to create a safe environment for difficult topics. While discussions are interactive and require participation from subordinates, the manager's responsibility includes both their own actions and involving others in the conversations. (Appendix 1, Question 6)

Furthermore, all interviewees perceived empathy as a valuable part of conversations, primarily as it helps managers communicate understanding and care toward subordinates. By doing so, managers can have better conversations with their team members, understand them, build trust, plan and distribute work accordingly, and, as a result, have happier subordinates, which can further be reflected in the individual work and results. However, four interviewees stressed that empathy cannot predominate in managerial work as managers must also be adequately assertive to lead their teams successfully. Thus, managers should find

a balance between empathy and assertiveness that would allow them to understand and have good relationships with their people while setting boundaries and guiding the teams in the right direction. (Appendix 1, Question 7)

In comparison between the interviewees' answers, specifically the perception of a culture of conversation as a supporting factor for management by objectives and actualizing the organization's goals, once again, male respondents highlighted the organizational view while the contribution of individuals was the central theme of female respondents. The male interviewees approached the matter from the organizational culture outlook. However, female interviewees concentrated on how a culture of conversation can affect individuals' actions and how those actions are beneficial for achieving set objectives.

6.2.4 Role of Humbol

When the interviewees were asked about the role of the Humbol system and how it has supported management by objectives and a culture of conversation in Company X, ten principal effects from the managerial perspective were recognized (Appendix 1, Questions 3, 5, 6, 8), as shown in Figure 6.2.

1. *Providing structure and/or templates for conversations* that help to keep the conversations consistent and centered around the essential topics. Nine out of ten interviews mentioned this as a core benefit of Humbol.
2. *Preparation requirements for conversations* between managers and employees were mentioned as an important aspect by six out of ten managers.
3. *Bringing continuity and routine* to conversations and goal setting was perceived as an essential effect by seven interviewed managers.
4. *Visualization of goals* makes objectives more concrete and present in the work. Seven out of ten managers saw this as a critical advantage of Humbol.

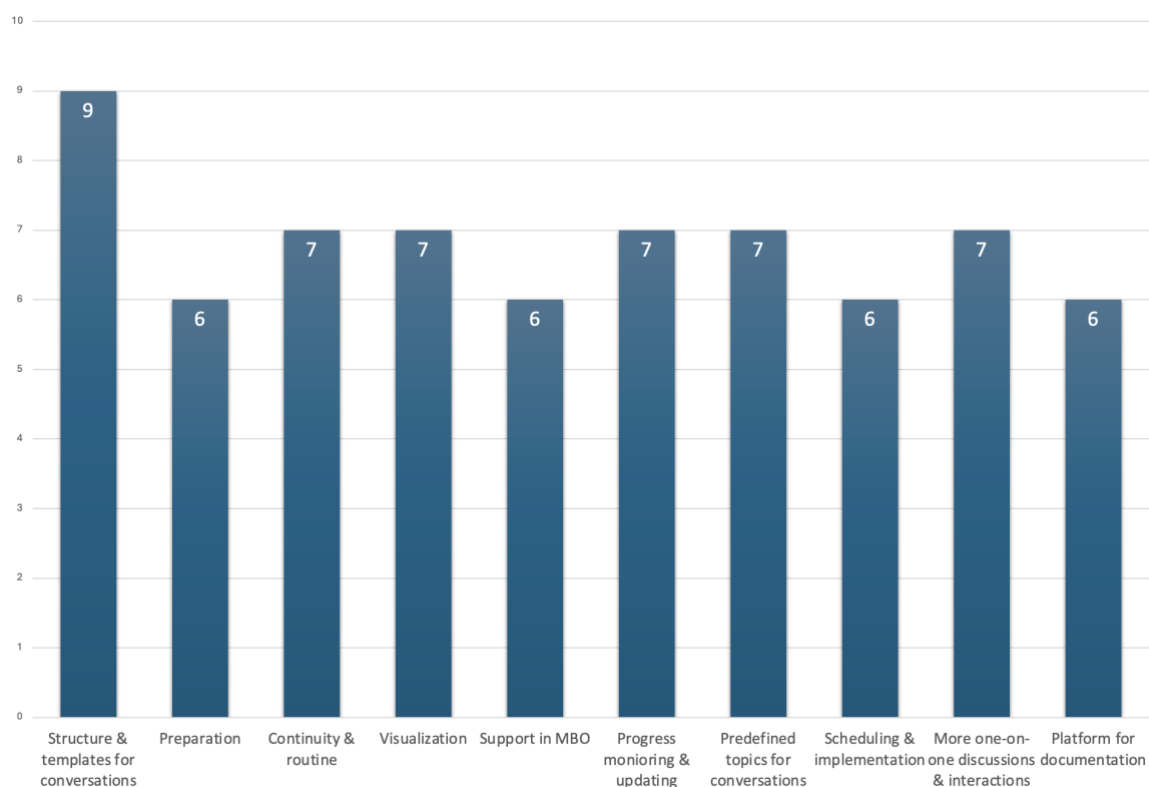


Figure 6.2 Principal Effects of Humbol

5. *Support in overall management by objectives* was found beneficial as the system emphasizes goal setting and its advantages while incorporating goals into the discussions between managers and employees. Six managers particularly highlighted this.
6. *Monitoring the progress and updating goals* were further mentioned by seven managers. Humbol assists in following the status of goals and allows their consideration and modification throughout the year.
7. *Predefined discussion topics* enable even more challenging themes to be discussed in the conversations, as well as topics outside of work tasks or goals, such as the well-being of employees. Seven managers stressed this aspect.
8. *Scheduling and implementation* were more effortless with the assistance of Humbol's system automation, reminders, and scheduling tools. Six interviewees mentioned this as an enabling factor for the conversations.

9. *One-on-one discussions and interactions*, their value and how the Humbol system has increased their frequency were noted as a significant effect by seven managers.
10. *Having a platform for documentation* to store and examine all the gathered data instead of keeping multiple files separately was also a primary benefit from the perspective of six managers out of ten.

In addition, other effects of the Humbol system that emerged in the interviews were practical aspects, such as monitoring the frequency of the conversations to ensure that they are held and regular while also supporting work task definition and division. Moreover, half of the interviewees mentioned that it is important that Humbol gives employees a voice to make their thoughts and opinions more visible. Similarly, half of the managers stated that Humbol brings clarity to goal setting and assists with prioritizing goals and focus areas at work. Four interviewees also mentioned that Humbol encourages openness and transparency in Company X, whereas another four interviewees mentioned that Humbol helps to bring forth more difficult topics in conversations.

Additionally, Humbol was seen as a facilitating tool for feedback and giving managers a broader perspective on the current situation and status of different employees. The tool was found to be beneficial in supporting a shared direction for everyone in the company; in other words, connecting tasks and individual goals to organizational objectives. From the managerial view, Humbol involves and activates employees and provides managers with data and trends on the company's development and employees' attitudes, which can be further monitored over time. Furthermore, managers sharing common practices in regard to MBO was seen as a positive element. At the same time, the Humbol tool has been able to balance harder and softer topics in discussions between managers and employees. As harder topics, interviewees mentioned goals and performance, and as softer topics, matters related to employee well-being.

Half of the interviewees mentioned that more practice would be needed to utilize the Humbol system to its full potential. In addition, some referenced development areas focused primarily on the system's goal-defining and monitoring functionalities. As goals can take various forms, the interviewees wished that Humbol's functionalities would be optimized to serve those purposes and that there would be more training on the matter. In the process of contrasting the respondents' interview answers, gender, age, years worked in Company X, or length of managerial experience had no apparent connection with the answers.

Overall, the managers' reaction to Humbol was positive, and they experienced that the system has brought added value and help, especially in the practical implementation of MBO and connecting the management approach with a culture of conversation. (Appendix 1, Question 8) However, interviewees strongly emphasized that a culture of conversation is not actualized through a system but through daily in-person interactions and conversations, as well as engagement and contribution from all in the company. Technology can offer assistance, but people's encounters should remain the principal focus. Hence, a tool such as Humbol can provide effective support and results if the people in the company perceive it as important and actively work to make it succeed. (Appendix 1, Question 9)

6.3 Connections to Theoretical Framework

Reflecting on the theoretical framework previously presented in this thesis it is essential to understand the implications of the results derived from the interviews with the managers of the case company. Firstly, by considering the management by objectives model (Drucker, 2011), strong connections from the interview answers could be recognized. Ultimately, the answers aligned with the core concept of management by objectives by highlighting the importance of goals to commonly guide work in the organization and stressing that individual goals and work tasks should be connected to the company's strategy. The theoretical model suggests that this approach guarantees a shared direction for all in the company.

Moreover, several remarks were made regarding the need for practice and development regarding goals, which links to the improvement mindset of Drucker's model as management by objectives aims to regularly review and improve the process of goal setting by involving everyone in the company.

When discussing goal setting itself, the managers addressed several of the SMART goal (Doran, 1981) components as important aspects from the managerial perspective. The main reflections concentrated on determining goals that are both attainable and ambitious. The managers saw the importance of setting goals that would encourage individuals and teams to challenge themselves while having the opportunity to accomplish the defined targets. Furthermore, relevancy and clarity were mentioned continuously, indicating that broader strategic objectives would be allocated into more practical and limited objectives and further delegated to the relevant teams and individuals. It was emphasized that individual differences should be acknowledged while individuals should find their objectives relevant. This contributes both to the MBO theory and SMART-goals model, particularly from the perspective of specific and relevant goals. Continuing the SMART-goal approach, the measurability of objectives was found vital but challenging among the interviewees.

The practical elements of management by objectives emerged, especially regarding the Humbol system, as the managers experienced that the system facilitates actions such as collaborative goal setting with the subordinates, exchanging feedback, and defining the actions to be taken in the form of goals and tasks. Through Humbol, the implementation of regular evaluation of individual employees' or teams' performance and development monitoring are also made more accessible and visible. The benefits of the Humbol tool also correlated with the benefits of MBO, as both promote clarity, personal engagement, and involvement from people in Company X. In contrast, a common challenge of MBO addressed in the interviews was centered around the reporting and writing. Interviewees mentioned that the Humbol tool assists in documenting the

feedback, objectives, development, and related discussions, which would suggest that the concern of excess writing and reporting is enhanced through the help of the tool.

Regarding communication in Company X, four out of five of the basic functions of communication (Robbins & Judge, 2017) were present in the interview answers, as managing, information exchange, feedback, and emotional sharing were mentioned in different contexts of the answers. One of the communication variables (Corrado;Reider;& Mapson, 1994) and challenges related to it were experienced when the organization started growing, and the answers indicated that also in the future, an effective flow of communication should be actively maintained in the organization in order to ensure successful communication practices in Company X. On the other hand, the Humbol tool was also experienced to support the continuity of communication which could indicate help with the issues in communication flow, in the long term.

Oral communication was found beneficial and fundamental for communication in Company X, mainly due to its effectiveness and immediate feedback. This can be associated with the benefits of channel richness (Robbins & Judge, 2017) and reflected in the feedback step of the communication process model (Perkins & Brown, 2008), in other words, delivering a message in real-time, receiving prompt responses, and ensuring mutual understanding. However, listening was the most highlighted aspect of communication in the interviews, as the responses stated that listening is crucial for providing support to subordinates in the most optimal way. This further aligns with the benefits of effective listening (Rai & Rai, 2008), which propose that effective listening facilitates improved relationships and information exchange; the managers can also enhance problem-solving and receive more ideas from their subordinates.

The six C's of communication (Cote, 2023) were also visible in the managers' answers as the responses highlighted asking questions and getting to know your team members. This could be interpreted as prioritizing compassion and

developing a connection with the person they are talking to. The C of courage also correlates with the interview responses as interviewees stressed that managers should directly address challenging issues although it would feel difficult.

As the central themes regarding a culture of conversation in the interviews were trust, openness, allowing and encouraging subordinates to voice their thoughts and opinions and asking questions, a clear connection can also be made with the theory of psychological safety. (Edmondson, 2019) Particularly, the need for employees' voice and inviting participation by asking questions were emphasized in Edmondson's tool set for leaders in order to build psychological safety in the workplace. Contributing to psychological safety, listening non-judgementally was also mentioned by the managers. Alternatively, the findings about the Humbol system also support Edmondson's tool set model as the system assists in practical implementation through a shared platform and framework to foster discussions between managers and subordinates.

Further, the theoretical framework of trust and vulnerability (Brown, 2018) is strongly connected to the interview results. The most frequently mentioned way of building trust as a manager by the interviewees was to openly discuss your thoughts, feelings, errors, challenges, and setbacks, which, based on the theory, signifies showing vulnerability. From this perspective, the interconnection between trust and vulnerability in Company X was visible through the managerial lens.

Once again, listening was highlighted in the context of creating an open conversation atmosphere. Brown emphasized that trust itself is built around actions such as observing and listening actively while also expressing care and fostering a connection. The role of empathy was seen as an essential part of establishing those connections while also cultivating trust. The theory of empathy benefits (Pakkanen, 2022) also emerged in managers' answers as it was experienced that empathy promotes trust, understanding toward another person,

and improving communication while also supporting employees' well-being and work performance.

Finally, to understand the connection between management by objectives and a culture of conversation through the interview results, the interviewees suggested that a culture of open and continuous conversations is beneficial for MBO as the goals can effortlessly be incorporated into the conversations and clarify the importance of goal setting, promote feedback, and define responsibility areas at the workplace. In conclusion, it is an effective way of involving people in the organization and incorporating the fundamental elements of MBO (Develi, 2023), such as employee commitment, enhanced dialogue, and a collaborative approach to goal setting. In addition, a culture of conversation balances the dialogue by not concentrating solely on performance but incorporating essential, softer topics such as employee well-being and satisfaction, as well as ensuring equal conversations between superiors and subordinates to generate an open and psychologically safe atmosphere (Weiss & Hanson, 2022) in the organization, for all conversations, feedback, and ideas.

7 CONCLUSIONS

Traditional business themes often revolve around harder topics, concentrating on issues such as production processes, finance, and project management. However, particularly during the recent decades, the significance of softer topics such as communication, leadership skills, organizational culture, and emotional intelligence have gained popularity in the business scene as they are discovered to substantially benefit and support organizations' performance. Thus, organizations seek approaches and practices to balance the two contrasting sides of business to optimize both the performance and well-being of organizations. This underscores the value and relevancy of research in the area.

7.1 Implications and Key Findings

The proceeding findings will summarize the major discoveries in this thesis study and serve the purpose of the research aim as well as offer answers to the primary research questions:

1. What are the key drivers for fostering a culture of conversation in organizational settings, and how do they relate to management by objectives?
2. To what extent does integrating the Humbol system enhance communication and facilitate the achievement of organizational objectives at Company X?
3. How do managers perceive the culture of conversation and its role in driving organizational performance at Company X?

Although management by objectives is a management method with a long history, it is still a widely utilized framework in business as well as the case company of this thesis research. According to the case study, the effects of MBO are perceived to be beneficial and have a guiding and clarifying effect on the work of managers in Company X. MBO connects individuals' and teams' objectives to the broader

organization's strategic objectives. In the research, the managerial tool Humbol, had an amplifying role in the practical implementation and development of MBO in Company X. While the system was introduced only during the previous year, the overall reactions from the managers in the case company were favorable and optimistic. It was clear that a practical tool such as Humbol could provide considerable support. It added value to the management of Company X, particularly due to its ability to provide systematization and routines.

Looking at goal determination, the SMART model for goal setting is still a valid and functional approach. Yet, determining and managing adequate and measurable objectives may be challenging and requires active efforts and development, as brought forward by Company X's example. Unlike conventional goal-setting criteria, the study results also showed that individual employees' roles could be even further emphasized in the future as the management perceived the employees' involvement and development as essential aspects of the goal-setting process. This could signify that organizations could use goal setting as a tool to progress their employees' skills and knowledge while continuously promoting collaboration and shared success.

To facilitate the practical process, management tools such as Humbol can gain increasing importance as they encourage dialogue in the organization, especially by creating more opportunities and a structure for one-on-one conversations between managers and subordinates. From a systematic perspective, Humbol can also assist in fostering a culture of conversation. Nevertheless, central to the research findings was that systems or technologies are not able to replace the worth of human interactions, although the dialogue in business often concentrates on efficiency and operational streamlining. Instead, these two aspects should be harnessed to support one another. Hence, even optimizing the practices through a system cannot be successful without commitment and communication among an organization's people.

Consequently, it is crucial to allow and encourage human interactions and conversations in organizations by building an atmosphere where everyone's opinions and ideas are welcomed and listened to. To achieve this from a managerial perspective, central methods emphasized by the research case were communication means such as effective listening, feedback, and questions, as well as psychological aspects such as trust, openness, and a sense of safety to share one's own thoughts. The responsibility to facilitate this atmosphere was primarily placed on managers, and the research results highlighted managers' role in business as an example to all other members of an organization. To navigate this role as effectively as possible, managers should learn the balance between empathy, care, and assertiveness to become reliable leaders for their teams.

Overall, communication and a conversational culture in an organization were seen as fundamental and enabling for regular processes incorporating MBO, such as goal setting. Hence, a culture with open communication and workplace encounters should be fostered. As a result, a happier workforce and workplace commitment can be encouraged to facilitate enhanced performance and achieve set goals. This is what ultimately aligns a culture of conversation with the purpose of MBO and can be a prerequisite for a successful organization. Further, it was notable that in the case of Company X, the management had remarkably harmonious attitudes and ideas of a culture of conversation regardless of their characteristics and experience. Therefore, it can be concluded that the establishment of a culture and new routines vital for a company's development hinges upon initially fostering a cohesive and positive mindset towards these objectives, with the management taking the lead.

7.2 Reliability and Validity

The concept of reliability in research strives to provide accurate findings that exhibit consistency and precision with other studies regarding the same research area. Validity, on the other hand, offers assurance that the research assessment accurately measures what it claims to assess. Hence, validity also ensures distinct

and realistic research results. Together, these two dimensions form the cornerstones of research. (IEA Research for Education, 2020)

In this thesis study, measures were taken to guarantee reliability and minimize potential sources of error and inconsistency. Data collection procedures were standardized and documented to ensure consistency across participants and sessions while eliminating possible bias. The accuracy and reliability of secondary data employed in the study were critically assessed while striving to have a diverse and extensive list of references to underpin the research purpose and findings. Considering the research scope and case study, ten selected managers from the case company provided a reliable sample regarding the research aim. Moreover, the research results could be linked and justified through the theoretical framework presented in the thesis.

To address validity, the thesis research was designed to meet the requirements of both the research aim and primary questions to validate the relevancy of gathered data. Additionally, the interview questions included in the empirical part of the research were structured based on the theoretical outline in the thesis to ensure that the key components were considered in the interviews and evaluated in the result analysis. By implementing the previous methods, the reliability and validity of the findings presented in this thesis can be reinforced, providing a sense of confidence in the dependability and accuracy of the research outcomes.

7.3 Recommendations for Further Research

While this study aimed to provide an understanding of the dynamics between management by objectives and a culture of conversation and offer practical insights through a case study, it also allows and encourages future research related to the discussed research aspects. Considering the limitations of this thesis research, additional studies could be performed with other case companies to examine if the specific industry, organization, or attitudes of the managers could have an effect on the research results. Changing the perspective of the thesis on

employees' attitudes and opinions could further provide an even more holistic view of the research phenomena.

Additionally, given the geographical limitations of the case company, the study could be conducted in other countries as well as different-sized organizations. This could also provide an opportunity to examine the challenges or benefits of cross-cultural communication in a culture of conversation in the context of management by objectives. Similarly, it is important to consider how cultural surroundings may influence individuals' perception of MBO and fostering a culture of conversation.

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APPENDICES

APPENDIX 1. Interview Questions for the Managers in Company X

Background

- *Gender?*
 - *Age?*
 - *How long have you worked at Company X?*
 - *How long have you worked in a managerial position?*
-
1. What kind of effect do you think a culture of conversation has on achieving organizational objectives from a managerial perspective?
 2. How would you describe the significance of communication at Company X, particularly oral communication and listening?
 3. What type of aspects should a manager consider, to facilitate conversations and feedback? How has the Humbol system supported these aspects?
 4. How would you describe the role of objectives at Company X and in your own work as a manager?
 5. What considerations are important in the process of determining objectives and what kind of effect has the Humbol system had on this process?
 6. How could managers encourage an environment where team members feel comfortable expressing themselves openly, even when more challenging topics must be addressed? What impact has the Humbol system had from this perspective?

7. Do you think that a sense of empathy and understanding has a pivotal role in conversations and giving feedback?
8. How has the Humbol system affected the development of a culture of conversation at Company X?
9. Is there anything else you would like to add regarding a culture of conversation, management by objectives, or the significance of the Humbol system concerning these areas that has not yet been mentioned?