Management Accounting & Control Seminar WiSe 2018
[in Englischer Sprache]

Topic: Managerial Target Setting and Implications for Corporate Practice

I. Idea of the Seminar

The intention of the seminar is to discuss most recent research on how to set targets for managers and employees to maximize performance and to execute corporate strategy. We will compare academic evidence of how firms (should) set targets and compare it to the practitioner view on target setting. Out of this comparison, we will discuss during the seminar what we can (not) learn from academic research for management practice, what the underlying trade-offs in target setting are, and how we could handle them as managers or consultants in corporate practice.

We will put a specific emphasis on the OKR framework which is implemented at INTEL, GOOGLE, and more recently in Germany at ZALANDO, TRIVAGO, MYMUESLI and other innovative, technology driven companies. Very likely, the seminar will be in close cooperation with TRIVAGO, Düsseldorf (please see organizational issues). The seminar will start with a “kick-off” meeting and concludes with a presentation day.

Please show up at the kick-off meeting (9th of July 2018) in room JUR 498 in any case!

II. Organizational Issues

a) Important dates

<table>
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<th>Event</th>
<th>Date</th>
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<tr>
<td>Submission application package</td>
<td>Friday, 29th of June 2018, 18:00 (evening)</td>
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<tr>
<td>Kick-off meeting</td>
<td>Monday, 9th of July 2018, 18:00 (evening), room JUR 498</td>
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<tr>
<td>Submission seminar thesis</td>
<td>Friday, the 7th of December 2018, 12:00 (noon)</td>
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<td>Submission of presentation slides</td>
<td>Friday, the 11th of January 2019, 12:00 (noon)</td>
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<td>Seminar</td>
<td>Mid of January 2019, all day (date will be announced soon)</td>
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b) Practice Cooperation

The seminar is in cooperation with a partner firm. Very likely this partner will be TRIVAGO (www.trivago.de) in Düsseldorf, a major platform for hotel booking and price comparison. TRIVAGO has implemented the OKR target setting concept.
c) Credits and Requirements

Participants can acquire 12 CP for the module ACM 05 or 06. Requirements are:

- A written seminar thesis in form of (1) a hard copy and (2) a data file version as a single Word and as a single PDF file.
- A presentation of the seminar thesis of about 20-30 minutes.
- An active participation during the presentation day including preparation of all seminar topics (i.e., reading other’s theses!)

In case I do not hear anything else, all participants agree to share their theses among all participants before the presentation day electronically.

d) Questions

Please address all your questions to Prof. Dr. Martin Artz (management.control@uni-muenster.de). Please be aware that all organizational questions are or can be addressed in the kick-off meeting in July.

e) Grades

The grade is based on the written thesis (60%), the seminar presentation (20%), and the participation in discussions during the presentation day (20%). There is no written exam.

f) Registration for the Seminar

You can apply for the seminar now until end of May (see important dates). Please submit (1) a short CV, (2) a list of finished courses including grades, and (3) your topic preferences with at least five topics in descending order to management.control@uni-muenster.de. The number of participants is restricted. Slots and topics are allocated by the date of application (“first come, first serve”) as well as by performance of the application package. You will be informed end of June latest (depending on your application submission), if you can participate. Please register at PAM after confirmation of participation.

g) Kick-off Meeting

In case you got accepted for the seminar, the visit of the kick-off meeting is mandatory. You will receive all guidelines and recommendations for the thesis. I expect the meeting to take about one hour (i.e., from 18:00 to 19:00).
III. Seminar Topics

(1) Why do firms use targets for performance measurement?

(2) How difficult should targets be? Targets to drive motivation

(3) How difficult should targets be? Targets to drive creativity and innovation

(4) How do targets fit into managerial bonus contracts?
(5) How do firms set targets? The role of past manager performance


(6) How do firms set targets? The role of peer performance benchmarking


(7) How do firms set targets? Employee participation in target setting


(8) Do managers manipulate performance to achieve targets?


(9) Should firms adjust targets during the year?

(10) How many different target dimensions should managers get?
Miller, G. A. (1956), The magical number seven, plus or minus two some limits on our capacity for processing information, Psychological Review, 101 (2), 343-352.
Roberts, J. (2004), The modern firm: organizational design for performance and growth, Oxford University Press. [Chapter 4, focus on multi-tasking issues]

(11) The conflicts of targets for operative planning versus performance evaluation
IV. Recommendations and Guidelines

The literature suggestions are a starting point for you to get deeper into the topic. Please

a. Use these academic references to find more related literature and to get an expert into your specific topic
b. Investigate how your specific topic is discussed in practice (e.g., blogs, practitioners magazines, consultancy whitepapers, ...)
c. Compare and discuss how your specific topics is implemented into the OKR framework.

Important: I will give you precise suggestions how to approach your topic efficiently during our joint kick-off meeting. At the meeting, all participants will receive guidelines for scientific work, too (e.g., citations, research approaches, etc.).

I am looking forward to see you at our seminar.

Münster, Spring 2018

Martin Artz