

*Defining Goals for Cooperation in
the Network Environment*

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Work-in-Progress Paper

Abstract

Purpose of the paper: This article argues for the importance of setting both performance-outcome -goals and learning goals for inter-company collaboration, while the focus is on learning goals. In business literature and in the management practices, learning goals have often been neglected. Yet, based on extant knowledge on the effects of these two types of goals, it is argued that setting collaborative learning goals can make an important contribution, in particular, to long-term collaborative relationships. Their meaning is emphasized, when the collaboration contains tasks that are complex and new.

Method/literature review: The paper is a literature review, reviewing research in psychology, social psychology, management and marketing. Based on the review, five propositions for goal setting are made.

Findings/contribution: It is proposed here, (1) that setting learning goals increases commitment in cooperative relations. The second and third propositions concern setting goals for either (2) familiar, non-challenging tasks (for which performance-outcome –goals are argued as favorable) and (3) challenging, complex tasks (for which learning-goals are argued as favorable). Fourth proposition points out the (4) an expected relation between perceived ability to influence collaboration. Finally (5) the fifth proposition suggests that in most cases it is favorable for companies to set both two types of goals.

Keywords: Intercompany cooperation, goals, learning, performance, outcomes.

INTRODUCTION

Goals have gained scarce attention in network research in the industrial marketing and purchasing (IMP) research tradition. This lack of research on the topic may arise from the acknowledged problematic nature of the individual companies' power to manage the dynamic network environment (Ford and Håkansson 2006), or it may have to do with the companies' reluctance to openly discuss and even set explicit joint goals for collaboration (see Huxham and van Vangen 2003 and 2004; Huxham and Eden, 2001, Huxham and Hibbert 2008, 512) or the difficulty to of studying macro-level goals (Locke and Latham, 1990).

When network research has discussed goals, the discussion has often centered on the choice of partnering companies along the competitive vs. collaborative nature of partnering company goals. (see Deutsch 1973, Chen and Tjosvold 2008). The competitive vs. collaborative relation between goals has been acknowledged as decisive for the choice of partners. Network environment, however, means that each partner has multiple relations with other companies. Network is dynamic by its nature as these relations evolve. The partners may represent also interests arising from their relations external to the collaboration (Andersen and Drejer, 2009, 698). Thus, seeing companies as collaboratively or competitively related is of interest, but it is not an adequate basis for studying goals.

This paper argues here for the importance of a discussion of the content of goals. Research on goals is abundant in the fields of psychology, social psychology and management. There are a number of dimensions to study the content – such as complexity and specificity of the goal, awareness of goals or the organizational level of goals. Due to particular characteristics of network environment, the meaning of interaction and adaptability, the chosen focus for this research is to compare learning and performance goals.

As collaboration in networks is often established in order to gain information and learn, and as carrying out the process of collaboration often requires learning from its counterparts and sharing information, learning and thus goals gain importance. The distinction between learning and performance goals has not been in focus in the extant IMP-research. However, research on psychology, social psychology, organization management and marketing provide interesting findings over the differing and partly opposite consequences between performance and learning goals. Although most of the research has been carried out among children or university students, they are discussed here. To what extent they can be applied in business- and company context is a question to be approached through research.

In brief, this paper is carried out as a literature review. It reviews knowledge of the effects and outcomes of the two different types of goals; performance goals and learning goals. Propositions for later research are suggested.

The paper proceeds in following way: First it discusses the topic of networks and the challenges that the business network environment sets for goals. Furthermore the paper discusses our understanding of goals when collaborating in the network setting. Finally extant understanding of the consequences and outcomes of learning and performance goals is discussed. Based on this discussion propositions concerning goals in inter-company cooperation in the network environment are suggested.

NETWORK CHALLENGES FOR GOAL-SETTING

The acknowledgement of the companies' embeddedness in a wide network of companies where each company participates in a number of collaborative settings brings along challenges for setting goals. Håkansson and Ford (2002) distinguish three paradoxical characteristics of the business network environment. The paradoxes are discussed here to provide basis for studying goals and the challenges that they pose for collaborative goal setting.

The first paradox states that “networks bring both opportunities and restrictions.” (Håkansson and Ford 2002, 134). The first paradox implies that while network relationships produce opportunities, the stronger the connections are, the less freedom the company has in its decision-making. Making changes requires always changes in the relationships and other companies, and therefore is dependent on the actions and consent of other companies (ibid.). Accordingly, setting explicit goals for collaboration can be seen as an action of strengthening and defining connections between relationship partners, which has consequences not only to the relationship itself, but to other relationships as well.

The second paradox presents the idea that networks provide “an opportunity for a company to influence others, but also to be influenced” (Håkansson and Ford, 2002). Accordingly, Håkansson and Ford state that “companies within networks are not free to act according to their own aims or circumstances as they arise” (ibid. 134), and continue in a more recent article (Ford and Håkansson 2006, 251) that the companies “managerial autonomy is significantly restricted” to the extent that they may not be able to develop their own “independent entrepreneurial strategy at all”. Acknowledging the restricting nature of networks, the extent to which the company goals can be regarded as an internal matter along the network research tradition is questioned. Instead – setting company goals is seen rather as an interactive process between the company and its environment. This kind of a dynamic setting sets also the requirement for goals to be dynamic and adaptable. A certain amount of reciprocity is favorable in setting and applying goals.

Due to the qualities described in the first two paradoxes, it is acknowledged here that the company interests including goals may be discussed and decided by the management – but they are highly influenced by forces arising from external sources to the company. Company interests and goals are only partly to be seen as internal matters (c.f. Håkansson and Johansson 1993, Ford and Håkansson 2006). Goals need to be dynamic and adapt to a multiplicity of forces channeled through the network relationships (see Håkansson and Johanson, 1993).

The third paradox to the aspect of goals and pursuit of managing networks is that “while a company pursues to control networks, the less effective and innovative the network will be.” (Håkansson and Ford 2002). They note that a company that is successful “in forcing its thoughts onto the network” will develop the network towards a hierarchy, but through this loses the innovative nature of a network, as “a controlled network cannot develop faster than the company that controls it.” Acknowledging this shows that companies should rather accept conflicts arising from network-type of relationships as inevitable and as a source of change. (ibid. 137-138). The third paradox emphasizes meaning of reciprocity in interactions instead of control or unilateral actions; reciprocity for developing goals as well as for sharing information.

To conclude, due to the dynamic and interactive nature of networks, the *dynamic* nature of a goal is important for inter-company collaboration. Companies' goals are not to be regarded as

internal to a company but rather as *interactive* constructs which develop in reciprocal interactions with the goals of the multiplicity of other partners, their goals and interests. This means that a partner's own goals involve and concern their network partners as well. Finally, the network environment contains a number of characteristics and incentives for *learning and sharing information* (Powell, 1990). Paying particular attention to learning in the goal setting is thus to be of importance in the business networks.

DEFINING GOALS IN COOPERATION

Shared goals has shown to be of great importance for collaborative relationships. Yet, arriving at a joint view on goals is not a straightforward process. Huxham and van Vangen (2004), who have been researching intercompany collaboration through action research, note that companies are not so willing to set and communicate¹ goals for cooperation. Also, as there exist no authority relations in business networks, there are no strong mechanisms that would lead companies to develop shared collaborative goals (see also Winkler, 2006). Consequently, part of the goals may be made explicit, while certain goals remain assumed or hidden (Huxham and Vangen (2004). Goals may also remain nonconscious to individuals. It has been acknowledged that goals may have a productive effect even when they are nonconscious for the actors themselves (Eitam, Hassin, and Schul, 2008 see also Shantz and Latham, 1009). When studying intercompany collaboration, it is the consciously defined goals that are of interest.

Collaboration contains aims at different levels of the collaborative arrangement: collaborative aims, organization aims, and individual aims. Collaboration aims define the "purpose of the collaboration." Organization aims encompass "what each organization hopes to gain via the collaboration." Individual aims encompass "what each individual hopes to gain for him/herself via the collaboration" (Huxham and van Vangen, 2004). The differences between goals at different organizational levels of the collaborative setting make the agreement on goals a complex process.

Winkler (2006) studied interfirm collaboration and found that there were differences between individual and organizational goals which made it difficult to agree upon cooperative goals. At the same time he found that interviewees perceived tensions arising from collaborative and individual goals as a normal condition of interfirm collaboration (see also van Vangen and Huxham, 2003).

Companies may have several reasons to disclose goals from partners (Eden and Huxham 2001). Openness may bring the company more vulnerable towards partners' opportunistic actions. Being a good partner can thus work counterwise. On the other hand, a certain tension between goals can be considered as favourable to the collaborations ability to provide new insights. (see e.g. Doz and Kosonen 2008, Zhen, Chen, Tjosvold and Kan 2010).

¹ An interesting notion made by Stephen and Coote (2007, 288) was that, relational behaviours which arise from shared interests, increase perceptions areas of mutual interest and a common understanding of aims and objectives. This way, we may suggest that relational behaviours can be used to communicate one's partner of one's goals and objectives and of one's interpretations of partner's goals and objectives as well. (c.f. Anderson and Weitz 1989). In the network environment, such a *tacit* way of communicating goals may be necessary.

However, Huxham and Vangen (2003 and 2004, see also Eden and Huxham 2001) suggest joint goal setting as being important for collaboration. The relation between the goals is expected to affect the way parties interact and consequently the outcomes of the relationship. (Deutsch 1973). The mutuality of goals is considered to increase trust between parties and have a consequence increased willingness to collaborate and exchange information (e.g. Zhen, Chen, Tjosvold Kan, 2010), improve parties effectiveness (Chen and Tjosvold 2008) and increase the likelihood of commitment to collaboration and continuity of operations (Macneil 1980).

That the companies let collaborative goals be undefined applies in particular to the learning goals (Huxham and Hibbert 2008, 512.). Empirical evidence in Huxham and Hibbert (2008, 512) action learning research suggests that inter-partner learning is “rarely, if ever explicitly considered” as a goal while the “primary purpose relates to more tangible ends such as service delivery, product development, or production, market entry or joint planning.” Huxham and Hibbert (2005 and 2008) acknowledge three particular types of learning; selfish acquisition of knowledge, sharing of knowledge, and sidelining, while the latter one meaning that learning is formally excluded from agenda, but may emerge. What is interesting, is that according to Huxham and Hibbert (2008) the parties perceive themselves rather as *using* partners knowledge than learning from them.

As a summary, it is to be noted that setting goals and setting joint goals in particular for collaboration is a difficult but important task. The companies may enter cooperation without going through the process and therefore, without a joint, explicitly stated view of the goals of collaboration or partnering company goals. Yet, we suggest that setting goals explicitly, enhances creation of effective strategies and practices for achieving those goals.

CONSEQUENCES OF LEARNING AND PERFORMANCE GOALS

Goals affect performance through four distinct mechanisms. First, goals *provide direction* to attention and effort towards goal-relevant activities and away from activities that are irrelevant to goal achievement. Second, goals motivate people to *exerting* goal-relevant *effort* to the task. Third, goals motivate an actor to *persist* in the activities through time to reach the goal. Fourthly, goals act as stimulants to *strategy development*, i.e. they affect the use and discovery of task-relevant knowledge and strategies. (Locke and Latham 1990, and 2002, 706-707).

Apart from the above presented general effects of goals, the consequences and mechanisms between learning and performance goals have been shown to vary in important ways. They vary in terms of behaviours and actions that they impose, people’s interpretations and reactions of the situation, as well as in their ability to influence organizations effectiveness. Some researchers suggest that people approaching a task with a performance-outcome orientation apply a different framework than people approaching goals with a learning orientation (see e.g. Seijts and Latham, 2006 and Barron and Harackiewicz, 2001 and Dweck and Leggett 1988).

Learning orientation has been characterized as an individual’s pursuit to understand something new, or to increase their competence, while the adoption of a performance goal² is

² Some research focuses particularly on outcome-goals, which can be defined as focusing “attention on a specific quantity or quality of something to be achieved” (Winters and Latham,

characterized by a pursuit to demonstrate competence or avoid negative evaluations of a person's competence. (Button et al. 1996, Dweck 1989, Dweck and Leggett 1988). The two orientations, learning and performance orientations, will be discussed below connected with certain topics of central interest to cooperative relationships in networks. When available, notions on outcome-orientation, which has rarely been in focus, are also made.

Button et al. (1996, p. 27-28) study two approaches to goal orientation. One sees goal orientation as a *dispositional* trait which assumes goal orientation as a stable characteristic of a person and the other one as a *situational* characteristic. Referring to Dweck (1986, 1989, see also Ames and Archer 1988) they describe that her writings suggest a continuum with strong performance goal orientation at one end and a strong learning goal orientation at the other. In contrast to research that has adopted either a dispositional or a situational point of view or a view of the two in the ends of a continuum, their (Button et al. 1996, 28) study suggests that goal orientation is to be seen as a "somewhat stable individual difference variable that may be influenced by situational characteristics." This means that a person is considered to have a predisposition to adopt a particular response pattern, but they may be influenced by situational factors to adopting another response pattern for a particular situation. Button et al. (1996) also suggest that the two orientations are not mutually exclusive, but a person can simultaneously be motivated by both type of goals and adopt both response patterns. Also, some people may be disinterested in both types of goals.

Locke and Latham (1990) noted, that goal setting has both motivational and cognitive consequences. Accordingly, Seijts and Latham (2006, 2) suggest distinguishing the 'motivational' effect to perform from the effect on gaining 'ability' to perform. They write that "a person's quest to be effective is influenced by ability and motivation, so that in the end, performance is a function of creative imagination and learning, and sheer effort and persistence. This [they write] is particularly true for tasks where an individual lacks the requisite knowledge or skill to master those tasks." As my purpose in this paper is to discuss differences between performance and learning goals, this distinction is relevant. It raises the topic of challenging tasks and less challenging tasks for discussion; For the less challenging tasks it may be adequate to increase motivation, and for the challenging task the person may primarily need encouragement to increase abilities.

Below important research findings are discussed and suggestions on their meaning to collaborative relationships are drawn (see Table 1 in Annexe for an illustration about the differences). The areas where the functions of these differences are discussed are (1) *parties commitment and effort to cooperation*, (2) *making achievements in familiar, non-challenging tasks*, (3) *making achievements in challenging, complex tasks*, and (4) *effects on perception of control and ability to influence*. (5) *The last topic concerns the choice of both types of goals*.

1996, 237). However, most often the performance-orientation is operationalized in such a way that it contains items of outcome orientation (e.g. Seijts and Latham 2006 and Silver, Dwyer, and Alford 2006).

Effort and persistence

Dweck and Leggett's (1988) study with children found differences in the goals cognitive, affective and behavioural effects depending on whether the goals were learning goals or performance goals.

Cognitions in the connection of performance goals were concerned with an evaluation "Is my ability adequate or inadequate", while in the connection of learning goals, the evaluation would focus on the question "What is the best way to increase my ability or achieve mastery?" (Dweck and Leggett, 1988).³ Accordingly, the affective responses were different as well. While challenging performance goals may be more likely "to create anxiety, depressed affect, boredom, and defiance" – "in case of learning goals even exerting effort may bring intrinsic rewards and pleasure or pride." The persistence to a challenging task in the learning based goal situation was higher (Dweck and Leggett, 1988). Also the study of Button, Mathieu and Zajac (1996) with students suggests that people with a learning orientation were "...less likely to abandon a task (at least intentionally) than those who hold a stronger performance goal orientation."

When a person adopts a learning goal they pursue to increase their competence in the particular activity. (Dweck and Leggett, 1988; Dweck, 1989). A new task necessitating an effort is seen as a possibility to improve skills. When the expected performance level is not reached, the actors evaluate the effort for its potential for development and the actor may make an interpretation of a need to put more effort to the accomplishment. Accordingly, the "learning goal items reflected a desire to engage in challenging activities, an eagerness to improve oneself, and a tendency to evaluate one's performance relative to past episodes of performance." (Button, Mathieu and Zajac 1996, 40, see also Barron and Harachiewicz 2001, Seijts, Latham, Tasa, and Latham 2004, Seijts and Latham 2006).

Expectations of business outcomes and realization of benefits from cooperative relationships are frequently the reasons for companies' engaging and committing themselves to cooperation. In these cases outcome-goal orientation is a logical result from the pursuit towards business benefits. On the other hand, the failure to reach the expected outcome in some acceptable period of time is often the reason for dissolution. (e.g. Welsch and Joynt, 1987, Welsch, Welsch, Wilkinson and Young 1996, Tuusjärvi, 2003 and Hovi, 1995). The literature on learning-goal-orientation provides a view that the explicit setting of particular shared learning goals, and the learning-orientation, may moderate the interpretations made when monitoring outcomes from the collaboration. .

The findings presented above result in a proposition concerning commitment:

Proposition 1: *Companies with learning goals are likely to make a more enduring commitment to a challenging collaborative relationship than partners with only performance goals.*

³ Button et al. (1996) study with undergraduate university students made an interesting finding. They found, that individuals with strong performance goal orientation were likely to have obtrusive thoughts during task performance.

Familiar, non-challenging tasks

It is frequently suggested that a high and challenging goal motivates to higher outcomes. Long-term network relationships may contain, however, both simple and complex tasks. The literature suggests that, a distinction between the outcomes of learning goals and performance goals may provide a more accurate view on motivational effects of goal-setting.

As mentioned above, Seijts and Latham (2006) distinguish the goals motivational effect from their cognitive effects on gaining ability. They suggest that the focus of a performance goal, such as “attain 20 percent market share by the end of the next fiscal year” is to increase a person’s motivation towards the task. They suggest that performance goal directs individuals to use strategies or performance routines and knowledge that are available for the person and which they consider to be effective. (Seijts and Latham 2006, 4, see also Winters and Latham, 1996, 248). This way, performance goals are claimed to be effective when the people already have the ability to perform the task. (Seijts and Latham 2006). Winters and Latham (1996) provides a similar results. Their study suggests that setting a specific outcome goal for a simple task, where learning a strategy or strategies is not an issue, increases performance through effect on effort and persistence. (Winters and Latham, 1996, see also Dweck 1989).

On the other hand, Seijts and Latham (2005) state, that a learning goal “draws attention away from the end result. The focus instead is on the discovery of effective strategies or processes to attain desired results.” This may not be preferable in the context of a simple task. When a person already knows how to perform the task – directing the attention unnecessarily to learning new strategies – learning goals have a deleterious effect on performance.

***Proposition 2:** When the task of collaboration is familiar and non-challenging, high performance-outcome goals are likely to motivate partners more effectively than learning goals.*

Challenging, complex tasks

Dweck and Leggett’s (1988 see also e.g. Dweck 1989) study suggested that when a person adopts a performance goal, they pursue to demonstrate their competence or avoid negative evaluations of their competence. The study of Button, Mathieu and Zajac (1996) suggested that the “performance goal items reflected a preference for non-challenging activities, the desire to avoid mistakes, and a tendency to evaluate performance by normative standards.”⁴With high performance goals, individuals make the choice for the strategy to attain the goal in more straightforward way than in the case of a learning goal orientation. These findings confirm the idea presented above, that performance goals are most effective with familiar, non-challenging tasks.

While performance goals directed people to use already known and available strategies, and a failure may be evaluated as an inadequacy, learning goal directs the attention to gaining necessary resources, capabilities and strategies to perform the task and a failure may evoke a question of how to increase one’s capabilities (Dweck and Leggett 1988, see also Lee et al. 2006, Kanfer and Ackerman, 1989; Locke, 2000). Seijts and Latham (2006, 3) refer to a test where participants to a business simulation game were told to “identify and implement six or

⁴ It has been argued that also performance goals can promote pursuit for competence (Barron and Harackiewicz 2001 referring to Harackiewicz and Sansone, 1991).

more strategies for increasing market share.” Participants who had a specific high learning goal reached a market share almost twice as high than those with a performance-outcome goal.

The proposition is supported also by Seijts and Latham (2006, 5). They discussed a case of PricewaterhouseCoopers (PWC) and noted that employees with challenging learning goals in the early stages of their job perform eventually better than those who had been given performance goals. Seijts and Latham (2005, 126; see also Kanfer and Ackerman 1989) claimed further that ”Setting a specific challenging performance goal has a detrimental effect on a person’s effectiveness in the early stages of learning.” Also Winters and Latham (1996) found that people performing a complex task and who were assigned a learning goal used more effective strategies than those who were assigned outcome goals.

Accordingly, it is suggest that learning goal orientation is more beneficial than performance goal orientation when tasks are dynamic and new skills must be learned, and the relevance of a relation between time horizon necessary for the achievement of competency and goal setting. (Seijts and Latham, 2006, Lee et al. 2006 referring to Brett and VandeWalle, 1999, Steele-Johnson et al., 2000 and VandeWalle et al. 2001).

***Proposition 3:** When the task of collaboration is dynamic and challenging, learning goals are likely to direct partners to stronger effort and consequently to higher outcomes than performance goals.*

Perception of control and ability to influence

Interaction and reciprocity are important in the network environment, where companies are not hierarchically related. Thus, it is of interest that goal research has made important findings concerning control and influence.

Dweck and Leggett (1988, see also Button et al. 1996) suggests that a person’s goal orientation affects one’s perceptions of locus of control. According to their findings, perception of one’s personal control is higher when the individual orients to learning goals than to performance goals. This finding is explained through the relation between skills and abilities affecting the achievement of the outcomes. While learning goal orientation implies enhancing the relevant skills and knowledge, with performance goal orientation these resources as rather considered as given and their existing level affects outcomes.

The study of Button, Mathieu and Zajac (1996) supported this finding. The stated that “those who hold a strong learning goal orientation were more likely to perceive personal control over outcomes or events.” (Button, Mathieu and Zajac 1996, 40). Latham and Brown (2006) studied MBA-students and found signs of a negative relation between challenging distal performance goals and a person’s self-efficacy. Furthermore, Latham and Brown (2006) found a connection between learning goals and students satisfaction with the program.

Of interest is also a suggestion that high performance goals lead people more towards unethical behaviors or lessen ethical, but seemingly unproductive behaviors (Ordóñez, Schweitzer, Galinsky and Bazerman 2009, Barsky 2008). The assumed negative connection between high performance goals and ethical behaviors implies the idea that the strength of focus in specific performance goal restricts the persons ability to choose and perform behaviors that may be considered unproductive. Such behaviors may be helping others or

exchanging information, behaviors which could strengthen the relationships and produce unexpected, but important learning benefits.

Proposition 4: Collaboration with learning goals increases the perception of being able to influence the collaboration.

Performance and learning goal orientation, independent constructs

The final topic concerns the suggestion of the connections between the two type of goals. Button et al. (1996) found that the two – learning goal orientation and performance goal orientation were represented by two distinguishable and unrelated dimensions. This means that a person may very well orient to a task along both types of orientations – or may not apply either one of them. They also showed that goal orientation consists of both dispositional as well as situational aspects. This finding suggests that when a person has a tendency to choose a certain orientation, it will be possible to interfere this choice through presenting situational characteristics that lead the person to choose differently.

Furthermore, Button et al. (1996) studied whether there was a connection between age and goal orientation. Their results suggest that older individuals are less performance-goal oriented than younger. This was interpreted as the older individuals focus more on enhancing their skills than on external standards.

Locke and Latham (2002) note that there has not been much research where both types of goals have been studied simultaneously. An intriguing finding was made by Harackiewicz, Carter, Barron, Lehto, and Elliot (1997, also Barron and Harackiewicz 2001) where both goals were studied with college students. In their research, learning goals increased interest in the learning task but did not affect grades, while performance goals were connected with improved grades but did not affect interest. The lack of interaction between the goals is surprising.

Presently, a number of researchers suggest that it is in many task contexts favorable to set both types of goals (see e.g. Button et al. 1996, Barron and Harackiewicz 2001).

Proposition 5: In most cases it is favorable for a company to create both learning and performance-outcome goals for collaboration.

Conclusions

The beginning of this paper brought up companies reluctance to discuss and set explicit joint goals for collaboration (see Huxham and van Vangen 2003 and 2004; Huxham and Eden, 2001, Huxham and Hibbert 2008) and in particular to set learning goals (Huxham and Hibbert, 2008). At the same time the importance of goals is widely acknowledged.

This paper presented research findings made in the fields of psychology, social psychology, organization management and marketing of the effects from setting learning goals and performance (or performance-outcome) goals. The emphasis in the paper was on the learning goals. It is claimed here that collaboration embedded in a business network imposes a need for dynamic approaches to goal setting and favorable structures for interaction and learning –

and thus creates an interest for learning goals. Research on learning goals suggests several consequences on learning goal, which show their attractiveness to the complexity of collaborating in business networks. The paper presented five propositions that are of interest for collaborating companies (see also Annexe 1).

First, based on the existing research, the paper suggests that setting learning goals may enhance *persistence* to the collaborative task. Based on the findings, we can assume that individuals with a learning orientation *invest* more effort on challenging tasks where the results are uncertain than those with a performance goal. Thus, we suggest that learning goals may increase commitment to collaboration.

The literature suggests also that it is important to consider familiar and/or simple tasks separately from complex tasks. The second proposition concerned goal setting for *simple, familiar tasks*. High performance goals have been shown as particularly valuable for tasks where the parties have the relevant abilities and know how to accomplish the task. In these familiar tasks learning goals may mislead the parties to create new strategies when effective strategies area available, while a performance-goal motivates directly to action.

Third proposition concerned *new and complex tasks*. Learning goals were suggested as central when abilities and skills need to be developed. (e.g. Winters and Latham, 1996 and Sujan, Weitz and Kumar 1994). They are particularly important in the early phases of task accomplishment of a complex task. Cooperation between companies is likely to include both simple and complex tasks. However, strategically important collaborations are often established to create new business opportunities, this emphasizes the meaning of setting learning goals.

Fourth topic concerned perception of *control and ability to influence*. Research suggests that individuals following learning-goal-orientation have a perception of being more in control over events and outcomes than those with performance-goal-orientation. This finding together with the dynamic nature of business networks creates further interest for learning goals.

The final topic concerned the *independent nature* of these two goal orientations. It is suggested that companies should consider setting explicit goals for learning alongside carefully set performance-outcome goals.

This papers contribution to theory is to open a wider discussion on goals than hitherto. For business managers, this paper shows that the choice of the type of goals set for collaboration, will strongly direct companies future outcomes, and also their relationship. Due to the industrial networks challenge for companies to work in adaptive and dynamic ways, to increase interaction and to emphasize learning, we find the discussion of learning-goal orientation and performance-outcome-orientation as worth developing further.

Limitations

Most of the studies referred to above have studied individual people and many studies have been carried out with children or university students. Also, the two types of goals have mostly been studied in the context of a learning environment, with learning tasks, puzzles or planning course schedules (Dweck and Leggett 1988, Winters and Latham, 1996, Elliot and Dweck 1988). Only rarely has the study been carried out with company managers as informants and tasks related to business (e.g. Sujan, Weitz & Kumar, 1994, Seijts, Latham, Tasa, and Latham, 2004). The propositions after each discussion of results made an

assumption that the results are transferable to individual companies. The transferability of the findings to business contexts needs more contemplation in later papers.

Another limitation concerns the level of the goals, them being shared or individualistic. The literature review did not make a distinction whether the studied goals were made at the individual level (organization or individual person) or at the collaborative level. The favorability of shared goals is acknowledged, but discussion on the impact of goals being shared (Huxham and van Vangen 2004) needs to be explicitly discussed in future studies.

Acknowledgements

The author gratefully acknowledges the financial support of the Finnish Foundation for Economic Education. Furthermore, this paper has been greatly improved through discussions with Tarja Pietiläinen, Adjunct Professor in Kuopio University.

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ANNEXE 1

Goal orientation Differences in reactions	Learning goal	Performance –goal (or Performance-outcome – goal)
Persistence	Persistence is high. A complex task is not easily given up; Those, who hold a strong learning goal orientation are “less likely to abandon a task” (Button et al. 1996, see also Seijts, et al., 2004, and Seijts and Latham, 2001).	Persistence in a challenging task is lower – a complex task is more easily given up. Individuals with strong performance goal orientation were likely to have obtrusive thoughts during task performance. (Button et al., 1996)
Choice of task	Tendency to choose challenging tasks and activities (e.g. Button et al. 1996, Dweck, 1989, Dweck and Leggett, 1988)	Tendency to avoid failure and to choose nonchallenging tasks and activities (e.g. Button et al. 1996, Dweck, 1989, Dweck and Leggett, 1988)
Cognitions related to control	People with strong learning goal orientation had higher perception of personal control over events or outcomes (Dweck and Leggett, 1988 and Button et al. 1996)	Lower perceptions of personal control over events or outcomes. Achievement of outcomes is affected by the perceived level of ability or competence. (Dweck and Leggett, 1988 and Button et al. 1996)
Cognitions arising from feedback	Feedback applied to show the need to place effort. (Dweck and Leggett 1989). Failure is perceived as an opportunity to extend one’s competence (e.g. Dweck 1989, 1986)	Feedback applied to make evaluations of one capability – a failure may be evaluated as an inadequacy of capabilities (Dweck and Leggett, 1988, see also Grant and Dweck, 2003). ‘Helpless’ reaction in case of failure/negative feedback “characterized by an avoidance of challenge and a deterioration of performance in the face of obstacles.” (Dweck and Leggett 1988, 256)

Choice of strategy	Encourages the person to develop knowledge and skills and place effort in developing effective strategies. (e.g. Dweck, 1989, Sujan, Weitz, Kumar, 1994). People with learning goals used more effective strategies. (Winters and Latham, 1996)	Quick choice of strategy, and application of existing knowledge. (e.g. Dweck, 1989).
Adaptability	Learning goals are more likely to enhance adaptive behaviours than performance goals (Dweck and Leggett 1988, Barron and Harackiewicz, 2001,)	Performance goals can promote maladaptive behavioural patterns (Dweck and Leggett 1988).

Table 1: Consequences of learning and performance goal orientation relevant to intercompany collaboration.

INFORMANTS IN STUDIES REFERRED TO IN TABLE 1: Ames & Archer, (1988) students at junior high/high school, Barron & Harackiewicz, (2001) college students, Button et al. (1996), undergraduate university students⁵, Dweck (1989), children, Dweck & Leggett (1988), children, Grant & Dweck, (2003), university students, Seijts, Latham, Tasa & Latham, (2004) business simulation, Seijts & Latham, (2001), undergraduate students, Sujan, Weitz & Kumar, (1994), salespeople, Winters & Latham, (1996), college students

⁵ Button et al. (1996) performed four studies, one of which (n. 2) focused on correlations with age and gender was performed with the students family members and friends (Button et al. 1996).