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Making intensity of efforts the same

Commensuration work in target-setting practices

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Abstract

Extant literature on target-setting indicates that responding to achievability-related criticisms towards *ex ante* targets through repair actions are of significance in restoring fairness and maintaining the legitimacy of performance systems. By drawing on empirical materials on responses to unfairness criticisms raised against target-setting practices in a bank, the study shows that such legitimation work also requires responding to equity-related criticisms. Equity implies that, when situations differ, targets must be differentiated to make the intensity of efforts the same. This study shows that legitimately differentiating targets to make efforts comparable requires an original and highly complex commensuration work. This work is original because compared to prior commensuration studies it concerns the commensuration of efforts and not of entities. Further, this work is complex because it is difficult to account for all differences during the target-setting process and because such differentiation can be made mechanically and discretionally, each form of differentiation bringing its own source of illegitimacy. Moreover, it is also complex because it is a distributed work, involving numerous actors with multiple concerns. Such commensuration work then appears to be continuous and dynamic. This complements prior studies in target-setting, which have focussed mainly on dyadic relations between a superior and a subordinate and on single-period adjustments to targets.

Keywords: Commensuration work, equity, target-setting, legitimacy, fairness

1. Introduction

Commensuration is a process that transforms differences between situations via measurement into forms that make the situations the same and, therefore, comparable (Mennicken & Espeland, 2019). This process transforms heterogeneity into homogeneity and makes it possible to value—that is, to rank and compare—situations. Commensuration can be a powerful means to influence actors to conform to assessment criteria that are used to compare entities through the process that Espeland and Sauder (2007) term 'reactivity'. However, commensuration can also be a 'terrain of contestation' (Mehrpouya & Samiolo, 2016, p.13). It can raise claims of incommensurability (Chenhall et al., 2013; Espeland & Stevens, 1998; Samiolo, 2012), which are claims that contest the very possibility of 'making things the same' (MacKenzie, 2009) through measurement. Commensuration can also raise more specific criticism, which contests the legitimacy and acceptability of measurement systems (Bourguignon & Chiapello, 2005; Bowker & Star, 1999; Espeland & Stevens, 1998; Porter, 1996; Samiolo, 2012).

These criticisms are *'épreuves',* tests of (Lamont, 2012; p. 213) or trials (Bourguignon & Chiapello, 2005; Hutter & Stark, 2015) against measurement processes. By contesting the legitimacy and acceptability of measurement systems, these criticisms may lead to the breakdown of measurement processes (Porter, 1996). This draws attention to commensuration work undertaken by managers and designers of measurement systems when they respond to criticism and attempt to maintain or improve the legitimacy of commensuration.

Extant literature has focused on commensuration work required to 'make things the same' in markets (MacKenzie, 2009), in statistics (Desrosières, 1998; Porter, 1996), and in assessing and comparing the performance of organizations and individuals (Espeland & Sauder, 2007). Studies on commensuration work to make things the same focus on the construction and legitimation of categories of entities (objects, practices, people etc.), which are measured and compared (Bowker & Star, 1999; Chiapello & Godefroy, 2017; Fourcade & Healy, 2017; Llewellyn & Northcott, 2005), as well as on the legitimation of criteria (Lamont, 2012) or performance indicators (Bourguignon & Chiapello, 2005), which identify the dimensions on which entities are compared.

Scant attention has been paid to commensuration work related to referents (Bourguignon and Chiapello, 2005) used in valuation practices. Referents are comparison points, such as measures of other entities, past measures, or targets used to attribute value. Referents are crucial in valuation practices (Lamont, 2012), as they help distinguish between what may or may not be valuable. The paucity of commensuration studies focusing on the construction of referents is surprising since questionable referents challenge the legitimacy of commensuration. For example, hospitals benchmarked through costs can criticise the use of ‘the average hospital’ as a referent because of differences in case-mix or in characteristics of populations. They may require new commensuration work, such as the creation of different and more homogeneous ‘clusters of trusts’ to improve comparability (Northcott & Llewellyn, 2003, p. 64). To study commensuration work triggered by the criticisms of referents, this paper focuses on responses to unfairness criticisms raised against *ex ante* targets. Unfair targets can damage the legitimacy of performance systems (Bourguignon & Chiapello, 2005; Giraud et al., 2008). Thus, it is important to study how and whether managers respond to unfairness criticisms.

Extant literature has investigated criticisms of the achievability of *ex ante* targets. Such criticisms produce *repair actions*, which attempt to restore fairness *ex post* by smoothing the negative consequences of targets that were set too high (Bol & Smith, 2011; Giraud et al., 2008; Huffman & Cain, 2000; Libby & Lindsay, 2010; Merchant, 1987; Voussem et al., 2016). Yet, while achievability-related repair actions are important for maintaining the legitimacy of target setting practices, they do not concern commensuration work because they do not attempt to improve the comparability of targets.

The current study complements extant studies by exploring commensuration work aimed at responding to equity-related criticisms towards *ex ante* targets. Equity (Adams, 1963, 1965) implies that, if situations differ, targets must be differentiated. Otherwise, targets will be easier for some and more difficult for others, which may be considered inequitable. Therefore, responding to equity-related criticisms requires legitimately differentiating targets in order to make the intensity of efforts comparable. Such commensuration work concerns the commensuration of efforts, not primarily of entities. While such original commensuration work is important to legitimize performance systems, it has, to the best of our knowledge, not been explored thus far.

This research explores commensuration work related to intensity of efforts by drawing on empirical materials on responses to unfairness criticism raised against target-setting practices in a bank. While confirming the importance of achievability-related repair actions to respond to unfairness criticism and refining the analysis of the design of such actions, the main contribution of this study concerns equity-related commensuration work. This study reveals the complexity of the original commensuration work. It is difficult to account for all differences in situations when attempting to make the intensity of efforts comparable; moreover, differentiation of targets can be mechanical and discretionary, with each form of differentiation bringing its own source of illegitimacy. In addition, such commensuration work is a distributed work that involves numerous actors with different concerns. The study then reveals that it is important not to limit the analysis to superior/subordinate relationships during the target setting, although this has been a predominant focus in prior studies (Feichter et al. 2018; Matějka, 2018). This study also shows that, while numerous extant studies focus on single-period adjustments to targets, the results of such distributed commensuration work are always uncertain and such work appears to be a continuous work rather than a final design.

To develop our contributions, the remainder of this paper is organised in the following manner: Section 2 reviews extant literature on commensuration and emphasizes why differentiating targets to make intensity of efforts comparable is useful to legitimize performance evaluation systems. Section 3 introduces the research context and research methods employed. Section 4 introduces the empirical setting; it describes unfairness criticisms associated with *ex ante* targets and analyses achievability-related repair work and equity-related commensuration work. In addition, it puts forth design alternatives as well as challenges and dilemmas associated with responses aimed at legitimizing *ex ante* targets. Finally, Section 5 discusses our contributions.

2. Literature Review and Research Opportunities Addressed

2.1 Making Commensuration Legitimate

Espeland and Stevens (1998, p. 313) define commensuration as ‘the comparison of different entities according to a common metric’. Commensuration may be criticised because of ‘the incommensurability of individuals that is basic to much ethics’ (Espeland & Stevens, 1998, p. 322). Thus, claims of incommensurability can be mobilised to oppose commensuration work (see, e.g., Espeland & Stevens, 1998; Chenhall et al., 2013; Samiolo, 2012), and extant literature reveals that much work may be required to legitimize commensuration (Huault & Rainelli Weiss, 2011; MacKenzie, 2009; Porter, 1996; Rainelli-Weiss & Huault, 2016). Here, commensuration work refers to the efforts aimed at maintaining and/or improving the legitimacy of the comparison of entities through metrics/measurements. Such work is important to develop ‘trust in numbers’ (Porter, 1996).

Three (interrelated) aspects can be distinguished in commensuration work (Gerdin & Englund, 2019; Krüger & Reinhart, 2017). First, measurement requires the categorization of entities (objects, practices, people, etc.) (Bowker & Star, 1999; Chiapello & Godefroy, 2017; Fourcade & Healy, 2017; Llewellyn & Northcott, 2005). Categorized entities can be goods to exchange on markets, entities submitted to statistical operations, or entities whose performance is assessed (Porter, 1996). Categorization is 'a process of homogenizing differences by assigning disparate entities to the same category' (Krüger & Reinhart, 2017, p. 275). It decontextualizes, depersonalizes, and erases idiosyncratic differences (Porter, 1996). Categories concern what Gerdin and Englund (2019; p. 1098) call the 'comparison objects'. Categorization can be criticised because it excludes potentially relevant categories (Bowker & Star, 1999) or because of the possible non-homogeneity of the disparate elements subsumed in one category. Such criticisms may motivate the creation of new categories that were previously excluded (Bowker & Star, 1999) or may lead to create sub-categories where homogeneity is improved (Porter, 1996; Chiapello & Godefroy, 2017).

Second, measurement requires selecting criteria (Fourcade & Healy, 2017; Lamont, 2012) or performance dimensions (Bourguignon & Chiapello, 2005). These dimensions may be the quality of grains, the characteristics of a population, or the dimensions identified to assess performance (Porter, 1996). Gerdin and Englund (2019; p. 1098) call this the 'comparison dimension'. The choice of measured criteria and dimensions transforms qualitative differences into differences of magnitude on a scale (Espeland & Stevens, 1998; Gerdin & Englund, 2019). This procedure 'reduces disparate entities down to one particular aspect that becomes the one and only criterion of distinction' (Krüger & Reinhart, 2017, p. 275). The reduction can be criticised for being invalid (Bourguignon & Chiapello, 2005; Porter, 1996) or for making some (evaluative) 'aspects… invisible or irrelevant' (Espeland & Stevens, 1998, p. 314). Thus, these criticisms often concern the validity and completeness of measures (see, e.g., Bourguignon & Chiapello, 2005). They may motivate managers and system designers to include additional dimensions or to change existing ones (Bourguignon & Chiapello, 2005).

Third, commensuration also implies forming a value judgement through comparison. Valuation is a 'process of weighing' (Dewey, 1939, p. 23) and 'value is revealed in comparison' (Espeland & Stevens, 1998, p. 317). Thus, valuation requires referents or comparison points to determine the value of an entity and qualify it as good or bad. In commensuration literature, referents are often measures of other entities, with which an entity is compared. These other entities can be law schools (Espeland & Sauder, 2007), cities (Kornberger & Carter, 2010), films (Bialecki et al., 2017), or restaurants and hotels (Jeacle & Carter, 2011), which appear in rankings or ratings (Lamont, 2012). When the compared entities are considered as too dissimilar with regard to the assessed dimensions, it may raise criticism and trigger commensuration work, such as the creation of sub-categories or sub-classes (Chiapello & Godefroy, 2017; Porter, 1996) with a view to improve comparability.

However, there are other referents than the 'measures of others'. This is the case in performance evaluations where attribution of value happens through comparison with referents as diverse as past or average performance measures (Northcott & Llewellyn, 2003), future targets as in budgets (Covaleski et al., 2003), or standards from ratings (Lamont, 2012). However, there are, to the best of our knowledge, no studies which analyse commensuration work triggered by criticism raised towards *ex ante* targets, although this referent type is prominent in organizations. This is the main theme of our paper.

2.2 Making Intensity of Efforts the Same Through Commensuration Work in ex-ante Target-setting

Ex ante targets are usually considered illegitimate when unfair. This happens when they are too difficult or unattainable (Libby, 1999; Lindquist, 1995). Extant literature indicates that achievability-related criticisms may be responded to through 'repair actions'. Such actions attempt to smooth the negative consequences of excessive targets by either neutralising the effect of unachievable targets on evaluations and on bonus distribution *ex post* (Bol & Smith, 2011; Giraud et al., 2008; Huffman & Cain, 2000; Libby & Lindsay, 2010; Merchant, 1987) or by compensating these negative effects through subjective evaluations and/or discretionary bonuses (Bol & Smith, 2011; Merchant, 1987, Voussem et al., 2016). Repair actions are important to restore fairness (Bol, 2008; Voussem et al., 2016) since, because of task uncertainty (Hartmann & Slapničar, 2012), environmental unpredictability (Gibbs et al., 2004; Höppe & Moers, 2011) or uncontrollable factors (Giraud et al., 2008; Matsumura & Shin, 2006; Merchant, 1987), *ex-ante* targets always run the risk of becoming unachievable.

These repair actions do not concern commensuration work. Achievability-related criticisms concern the intensity of efforts for each entity or employee, but not the comparability of efforts among entities or employees. Yet, fairness judgements also imply 'social comparisons' (Greenberg, Ashton-James, & Ashkanasy, 2007)—that is, comparison with others. Organizational justice literature suggests that distributive justice—that is, the fairness of distribution—may be influenced by two different fairness principles, equality and equity, which require social comparisons. Since target-setting is a distributive process (i.e. the allocation of targets), equality and equity may be expected to influence fairness judgement regarding *ex-ante* targets. Equality (Leventhal, 1980) implies that targets are fair when people have relatively similar targets, while equity (Adams, 1963, 1965) implies that targets must be differentiated to account for differences in situations. When equity is important, the intensity of *efforts*, and not targets, must be similar in order to be fair.

While responding to equality-related criticisms only requires making targets similar, responding to equity-related criticisms implies differentiating targets to make intensity of efforts comparable. Such commensuration work may be difficult for two reasons. First, there may be numerous differences between situations and it is difficult to decide which ones must be accounted for in order to differentiate targets. Northcott and Llewellyn (2003) illustrate such difficulty in relation to the referent ‘the average hospital’. Because hospitals differ in terms of case-mix, characteristics of populations, and locations, it may be easier for some hospitals to outperform the average hospital than for others. Following equity, commensuration work would require differentiating referents to make intensity of efforts comparable, but it is difficult to know which differences to account for in order to build differentiated referents.

Second, it is also difficult to know how to account for differences between situations in target-setting. Distributive justice is affected by procedural and interactional justice (see, e.g., Folger & Cropanzano, 1998). Procedural justice concerns the fairness of target-setting system and procedures, and interactional justice concerns the fairness of the conduct (by sales managers) of target-setting. This suggests that, in order to make intensity of efforts comparable, targets can be differentiated by applying differentiated target-setting procedures (procedural justice) and by differentiating targets during interactions between sales managers and salespeople (interactional justice). As Bourguignon and Chiapello (2005) suggest, there is a dilemma here since both forms of differentiation of targets can be criticised on grounds of fairness. Differentiating targets procedurally relies upon ‘mechanical objectivity’ (Porter, 1996). It has the advantage of independence, but also implies ‘the sacrifice of the singular and local to the advantage of a standardized procedure’ and may ‘not take into consideration circumstances that only an expert’s judgment can encompass’ (Bourguignon and Chiapello, 2005, p. 694). Taking advantage of managerial and employee discretion during target-setting to differentiate targets relies on managers’ and employees’ knowledge of local idiosyncrasies and, thus, on ‘disciplinary objectivity’ (Megill, 1994). However, this can be criticised since it opens the possibility of bias and favouritism, which are also sources of unfairness (Bellavance et al., 2013; Giraud et al., 2008; Prendergast & Toppel, 1996). This suggests a dilemma between mechanical objectivity and discretion when differentiating targets and emphasizes that commensuration work aimed at making intensity of efforts comparable is complex. However, it is important, as it helps in maintaining or improving the legitimacy of performance evaluation systems. Such commensuration work, which has not yet been researched, is analysed in the remainder of this paper based on responses to unfairness criticism raised towards target-setting in a bank.

3. Research Setting and Research Methods

The empirical setting for this paper is a French regional bank. The field study was conducted between May 2003 and July 2004 and was conducted by the first author who used ethnographic methods (Hammersley & Atkinson, 2007) by recording observations (of meetings, training sessions, and informal discussions) as well as formal and informal interviews in notebooks. Formal interviews were transcribed and returned to respondents by email. Respondents occasionally corrected content and added to the transcription, which arose in further face-to-face or phone conversations, to explain and elaborate points. Following ethnographic methods, the first author was also immersed in the bank for several months (see details in Table A in the Appendix).

The researcher was given extended access to people and information. This access was facilitated by the executive vice president (VP) in charge of sales development and responsible for the performance evaluation and bonus system. The researcher was provided with a desk that was situated among the sales performance-management team to facilitate his integration and immersion. He was free to interview anyone deemed relevant and to attend meetings and seminars. He was also given access to the intranet, documents and databases, and was assigned a company email address.

All interviewees were informed about the purpose of the research, including the feedback on the performance-management system to managers and systems designers.

Anonymity was guaranteed to interviewees. In addition, only bank branches with good results were selected for observation of the target-setting exercise to avoid giving them a sense of being audited.[1]

Data analysis was oriented towards the understanding of managers' responses to unfairness criticisms. The strategy for analysing data comprised four steps: first, interviews and documents were analysed to understand the sales-target system and target-setting processes. Second, branch observations and interviews were analysed to link target-setting with the design of the performance-management system and with broader managerial practices. In this step, several sub-themes were identified; for example, in relation to target-setting, normalisation of requirements, margin of freedom, preparation of target-setting, and elements influencing target-setting. For each sub-theme, comments or illustrations in reference to interviews were noted. At this stage, it became evident that the similarity of targets for all salespeople was an object of criticism. Third, criticism of sales targets and target-setting were identified and analysed. This analysis included managerial dilemmas when reacting to such criticism. This motivated additional face-to-face and telephone interviews, particularly with the VP responsible for the sales target and bonus system and with a system designer to understand the bank's reactions to such criticism. Last, based on identified responses, a taxonomy was developed to summarize the work aimed at legitimizing the target-setting system.

The empirical account is structured in the following manner. First, we introduce the bank and the actors. Then, we examine prior target-setting practices, initial criticism, and

[1] The data-collection process was organised in four steps (see Table A in the Appendix). In the years following the research, the researcher kept in contact with different actors and was informed about changes to the system but did not play a role in this regard. However, in 2008, he attended workshops to facilitate the expression of possible changes. Additional data collected are not used in this paper, except from the epilogue.

reactions to them. Finally, we describe the new system and practices, further criticism, and the reactions of the management.

4. Responses to Criticism of Unfairness in a French Regional Bank

4.1 The Bank and the Actors

Within the banking group, the bank under study had its own performance system and dedicated support functions. The bank was among the best performers in the national banking group and, while numerous aspects contributed to this, the sales target and bonus system were often identified as key factors. The system was also considered rather legitimate, including by trade unions that were rather active in discussions on the targets and bonus system. Moreover, the bank had also evolved over the years to maintain and improve its perceived legitimacy.

This research was concerned only with private customers who accounted for the most important portion of the bank's net income and were served by 650 salespeople. There were four organisational levels of sales. The first level consisted of the general management, including the executive VP in charge of sales development, and the sales director. The second level comprised four regional offices, each headed by a regional director and supervising a total of 180 bank branches. The first and second levels are considered as central actors. Branches, headed by a branch manager assisted in big branches by an assistant manager, represented the third level. Actors belonging to the third level are referred to by the generic term of sales managers. The fourth level consisted of salespeople. Those in both the third and fourth levels are considered local actors. The study concerns only the salespeople's target system. Before describing the system at the time of the research, we briefly introduce some criticism of unfairness raised against practices related to the prior target system and a few changes that affected these practices.

4.2 Prior Target-setting System, Associated Unfairness Criticisms and Responses

4.2.1 Unfairness Criticisms Against Prior System and Practices

By the mid-1990s, target-setting was framed by a ‘production standard’. Each year, based on strategic and financial concerns, the sales department attributed a certain number of ‘production points’ to each sale. The total production points for each salesperson was expected to be above a certain minimum, which is called the ‘production standard’. The production standard was the same for every salesperson and the basis on which sales managers and salespeople negotiated a ‘sales challenge’. The sales challenge was the ratio of negotiated sales targets, expressed in production points, divided by the production standard.

At year-end, actual sales converted into production points were multiplied by a monetary value to calculate individual bonuses. The sales challenge affected the monetary value via a mechanism called the ‘realistic ambition’. When sales challenges were not ambitious, the monetary value of production points was low, even if salespeople subsequently outperformed their sales challenge because of a lack of ambition. When sales challenges were ambitious but salespeople failed to attain their sales challenges, the monetary value was also low because of lack of realism. The best monetary value was produced when salespeople were ambitious and achieved their targets.

At that time, two main criticisms were aired about target-setting practices. The first criticism concerned the equity of production standards. Since the same production standard was applied for each salesperson, it was easier for salespeople with large, high-quality portfolios to attain the production standard than for salespeople with small, lower-quality portfolios. This was considered inequitable since it implied that the intensity of efforts was not the same for all.

The second criticism referred to interactional justice. While the ‘realistic ambition’ mechanism was supposed to safeguard against excessively high and excessively low levels of ambition, for numerous target lines, sales managers and salespeople had a substantial discretion to establish targets. Discretion could be used to customise targets. However, it also led to favouritism. According to certain salespeople, it allowed managers to not treat everyone on ‘equal footing’ or to impose targets depending on ‘how well your face fitted’. This could lead to challenges that were too ambitious for some and not sufficiently so for others. In these situations, misused discretion was considered unfair.

4.2.2 System Changes and Their Consequences on Fairness Judgments

4.2.2.1 Working on Equity-related Criticisms Through Commensuration Work. After the mid-1990s, various changes were made to differentiate targets and make the intensity of efforts comparable. This commensuration work involved the creation of new categories in the target system in order to improve homogeneity within the newly created sub-categories (Krüger & Reinhart, 2017) and the development of specific referents and procedures for each category. This was also complemented outside the system by reconfigurations of the size and quality of customer portfolios to make them more homogeneous.

Following a segmentation of customers into five groups, from N0 (the wealthiest customers) to N4 (the poorest ones), four sub-categories of salespeople were created: bank counsellors, client advisers, private wealth advisers, and private bankers (not considered here). Different job descriptions, levels of experience, and qualifications were also attached to each sub-category of salespersons. This was complemented by two other types of commensuration work. First, customer portfolios were reorganised by reallocating customers to other salespeople to homogenise their size and quality. On average, counsellors were to serve 800 N3 customers, client advisers were to serve 500 N2 customers, and private wealth advisers were to serve 300 N1 customers. Consequently, the situations of salespeople became relatively similar in terms of job descriptions, skill level, and customer portfolios *within* a category. Second, differentiated referents were developed. Production standards were replaced by *indicative references* that were defined for each function. Indicative references differed from production standards because they were defined for each target line and varied according to the sales priorities of each function, rather than being identical for all salespeople. Therefore, different *ambition levels* were assigned through indicative references for each new category of salespeople.

While they did not eliminate all equity-related criticisms, these changes reduced the strength of the criticisms. The *creation of homogeneous sub-categories* of salespeople improved comparability within categories. The *differentiation of target-setting procedures* through the use of specific indicative references by function reduced the possibility of equity-related criticisms compared to production standards that were previously used as referents.

4.2.2.2 Reduction of Favouritism Through Reduction of Discretionary Space. These changes were accompanied by a reduction of the discretionary space of managers and salespeople when negotiating targets. Discretion was required less often, since indicative references were more detailed and more adapted to customer portfolios than the previous general production standard. However, discretion was also reduced by imposing a range of 80%–130% of the indicative reference for each sales target line. This ensued from a strategic concern that was aimed at avoiding salespeople attaining their targets by mainly selling a few types of products only, but not always those products that were most relevant for customers.

Consequently, discretion was reduced further during target-setting and treatment of salespeople within a sub-category became rather egalitarian, as one manager recalled:

> The indicative reference was historically retained as a solution to noted drawbacks in the sales target-setting process, where not everyone was accepting ambitious targets. It was also supported by trade unions as a way of putting everyone on an equal footing.

'Equal footing' reduced the claims of favouritism but did not lead to a cessation of unfairness criticisms. Now, we turn to this by providing a more detailed description of the new target system, target-setting practices, and other changes which occurred after the mid-1990s.

4.3 The New Sales Target System and Related General Procedures

4.3.1 The New Target System

In the new system, individual sales targets were expressed as general production points, as well as specific sales targets in relation to four target areas, each comprising several target lines. Production points were estimates of total sales for the following year. Targets for production points and for all target lines had to fall within the range of 80%–130% of the indicative reference. Except for target area 1, where the two line items could not compensate for each other, sales challenges were computed for the entire target area. The target area challenge was the sum of the weighted line item challenges, and the total sales challenge was the weighted sum of the sales challenges of each target area (See Table 1 for an example).

Insert Table 1 about here

Once individual targets were settled, they served as budget forecasts to monitor sales performance and, at year-end, to allocate individual or collective bonuses.

4.3.2 Individual Bonus

The rule of thumb in the bank was that at least 80%[2] of salespeople must receive some individual variable bonus in order not to threaten the legitimacy of the system. To receive a bonus, salespeople had to achieve the threshold of 70% of the sales challenge. The bonus was very little when the sales challenge was close to 70% but could be as much as two months' salary if sales challenges were ambitious and achieved by the salesperson.

The amount of each individual bonus depended on three elements. The first concerned actual sales achievements in terms of production points. Second, actual production points were multiplied by a factor ranging from −50% to +50%, dependent on the development of sales

[2]This resonates with Merchant & Manzoni (1989), considering that targets are often less tight than motivational studies would have it, as other concerns such as planning or reducing the downside risk of exogenous factors also affect target setting.

achievements compared with indicative references in target areas 2 and 3. Finally, the adjusted production points were multiplied by a unit monetary value, which was decided by top management depending on the bank's overall results, and adjusted upwards or downwards by comparing sales achievements to the sales challenge. Table 2 illustrates the calculation of the bonus of the salesperson presented in Table 1.

Insert Table 2 about here

4.3.3 Collective Bonus

A so-called collective bonus was established with the aim of rewarding aspects that were difficult to quantify (such as support provided to others and salespeople's attitudes) or to account for other elements that were not accounted for in the formula-based individual bonus system. It was computed as a percentage of individual bonuses—25% at the time of the research—which was withdrawn from individual bonuses. The collective bonus was redistributed to salespeople and branch customer-service staff (receptionists, tellers, etc.) at the discretion of sales managers.

4.4 An Egalitarian Sales Target-setting Process Within Each Category of Salespeople

Within each category of salespeople, several elements interacted to produce an egalitarian treatment of salespeople. This section analyses these elements and explains why this was considered as much fairer than previous target setting practices.

For each target line, sales managers and salespeople could differentiate targets within the 80%–130% range around indicative references. However, this range was far from being employed and individual targets ended up being concentrated around 105%–107% of indicative references. There were several reasons for this. First, certain system-constraints reduced flexibility. For example, in target area 1, the two most weighted target lines of the system—

gaining new customers and customer loyalty—could not compensate for each other. This aimed at avoiding salespeople from specialising to attain their targets.

The lower portion of the 80%–130% range was also used only rarely. This partially resulted from the 'realistic ambition' mechanism, which implied that the bonus would not be very high for a low sales challenge. This also resulted from the status of indicative references in the bank. Indicative references were often introduced as 'the minimum standard, below which the suitability to be a salesperson is questioned,' so that 'performance regularly under the indicative reference can lead to firing.' (sales manager). A large number of salespeople considered that 'you can't take less than indicative references' (salesperson). Thus, although a few could reasonably have proposed targets under 100%, this was rarely the case.

The higher portion of the 80%–130% range was also used only rarely. For highly performing salespeople, targets close to 130% increased the unit monetary value of production points and, therefore, their bonuses. However, numerous high performers preferred, as one manager put it, 'not to create a high reference for oneself' in order to reduce the probability of negative performance gaps. Since they were already proposing higher sales targets than others, they could oppose increased ambitions (see also Bol et al., 2010). Therefore, sales challenges were rarely above 115%, although for high-performing salespeople, this did not necessarily require much effort.

Finally, branch sales challenges also strongly influenced sales targets. Regional offices, branches, and individual salespeople had to set up sales challenges during target setting. Sales challenges were set up top-down and usually communicated to the lower level with the recommendation of proposing a sales challenge that exceeded the upper-level sales challenge. As observed, and reported by numerous actors, the communication of branch sales challenges—usually between 105% and 110% of the indicative references—strongly influenced individual sales challenges and their high concentration at approximately 105%–

107%. Consequently, individual sales challenges were relatively similar throughout the network:

> There is high uniformity in target setting. Some will take a bit more on home savings plans, housing plans, or mortgage loans but, overall, the requirement level is the same. The only variations concern target line items. Flexibility concerns line items, not the global target. (Assistant branch manager)

These combined elements resulted in the general feeling that 'target discussions are limited as the room to manoeuvre is reduced', that 'setting up targets is imposed within a narrow range', or that 'in the sales target and bonus system, we are all the same' (salespeople' quotes).

While constrained and egalitarian, the new target setting process enjoyed a much stronger legitimacy than the previous system and practices. Differentiated indicative references applied to relatively homogeneous categories of salespeople and customer portfolios eliminated criticisms considering production standards as an inequitable referent. Further, the reduction of the discretionary space in target-setting also strongly reduced criticisms of favouritism. Overall, the new egalitarian treatment enjoyed strong legitimacy and was also strongly supported by trade unions. Nevertheless, it still raised criticisms, which we now turn to.

4.5 Criticisms of Sales Targets, Design of Managerial Responses, and Associated Dilemmas

4.5.1 Achievability-related Criticisms

Usually, most salespeople considered sales challenges approximately 105%–107% of indicative references, as stretched. System designers also attempted to ensure that future targets would be stretched by employing statistics on past target-setting behaviours, past achievements, economic trends, product selling trends, and the effectiveness of marketing campaigns to set up future indicative references. However, they were unable to eliminate achievability-related risk. Over the years, the target levels occasionally turned out to be inadequate. For example, this happened in 2003 for the new customer target. Due to a change in the accounting of new customers, numerous salespeople were far from their target. Because 'the bar was too high', salespeople were ironically suggesting that 'we are all working for glory' rather than for bonuses. This unachievable bar was considered unfair. Achievability-related criticisms also occurred when targets on certain products became excessively high because of unexpected changes in tax laws or because of lack of sales history. These situations raised achievability issues[3] and triggered managerial responses.

4.5.2 Centrally Imposed Repair Actions

The bank was reluctant to make intra-year target adjustments. Sales targets were tied to the budget and making intra-year target adjustments would require changing budgetary targets for the entire network, which was not deemed easily feasible. Intra-year target revisions occurred only in exceptional cases—such as retirement, creation of new branches, transfer of salespeople, and withdrawn products—and were considered on a case-by-case basis.

Instead, achievability issues were mostly accounted for through repair actions. Repair actions happened to smooth, *ex post*, the negative consequences of unrealistic targets on bonus distribution. These were either designed centrally (C) by system designers and top managers or by local managers (L). Repair actions were also either imposed (I) upon actors or negotiated (N). These distinctions help characterise the responses to unfairness criticisms.

Most repair actions aimed at *neutralising the negative consequences of excessively high targets*. A few neutralisations involved *adjusting targets ex post*. One such response was to *neutralise a sales target line*. This served to repair a very specific achievability issue. This happened, for example, when the financial advantages of customers' savings plans were

[3] It must be noted that achievability-related issues were never raised by salespeople when sales challenges were not challenging. The bank dealt with such situations by reducing the unit monetary value of production points to avoid paying an excessive amount of bonuses.

unexpectedly suppressed by the French state. At year-end, targets related to this line item were neutralised to avoid their negative impact on bonuses. A second mechanism was used to adjust the target system *ex post*. It involved *decreasing the threshold for achieving sales challenges* and happened, for example, for private bankers when the new target system was introduced. That year, the threshold of 70% was reduced to 60% in order to prevent too many salespeople from not receiving a bonus. This second mechanism enabled an increase in the proportion of people who received a bonus when the average intensity of efforts was considered too high. Another form of neutralisation consisted of *adjusting bonuses ex post*. This general mechanism enabled increasing the amount of perceived bonus, when excessively high expectations reduced average bonuses too much. This was done by *increasing the monetary value of production points*. For example, at the beginning of the new system, certain indicative references and production points were difficult to set up for private wealth advisers and targets ended up being too high. Then, top managers increased, *ex post*, the monetary value of production points.

The above three interventions were evaluated against the total bonuses paid in the previous years as well as against the percentage of the net banking income. They were all centrally designed mechanisms (C) and were mechanically imposed (I) upon the entire sales force or only upon a certain category of salespeople.

4.5.3 Discretionary Repair Actions and the Treatment of Idiosyncrasies

Centrally designed and imposed repair actions were not appropriate in case of rather idiosyncratic aspects that were specific only to certain salespeople[4]. However, unforeseen, unforeseeable, or idiosyncratic elements could be handled by two other types of repair actions where managerial discretion was necessary (N).

[4] See also Giraud et al. (2008) who suggest that factors which negatively affect certain people are more prone to criticisms than factors that affect everyone. Huffman and Cain (2000) consider that flexibility is required to account for 'circumstances for each particular individual' (ibid, p. 827).

The first type of response aimed at accounting for elements which harmed the performance of a few salespersons. These responses were discussed with an *appeal committee,* which was instituted at year-end at headquarters (C). It was intended to reduce the targets *ex pos*t in order to account for singular situations that made targets very difficult or impossible to achieve. This aimed at adapting the system and maintaining its legitimacy. The appeal committee consisted of system designers, top managers, and a member of the human resources department and the regional offices. Salespeople had 15 days after year-end to raise their complaints and defend their case (N). For example, one claim arose when salespeople lost big customers but did not consider themselves to be responsible for it (controllability). This could happen when big customers moved to other regions, when salespeople could not align their interest rates on their competitors, when salespeople were transferred to newly created or small branches with small customer portfolios, in case of maternity or paternity leaves, or when salespeople had temporarily undertaken additional tasks. These elements could make their targets unachievable, but complaints were also related to equity. These latter complaints implied that being equitable required a special treatment for these salespeople to account for their specific context in order to be fair. This is, for example, what one of the system designers expressed when considering the appeal committee:

> One of the objectives of the bonus system is equity. It is therefore necessary to keep this period (the 15 days after year-end) to avoid an adverse effect of the bonus system if it could not account for justified requests.

When accepted, these complaints led to the downward adjustment of targets. For example, once a salesperson obtained four months of reduction on the target line of ‘Gaining New Customers’ because of additional temporary responsibilities. These complaints could also lead to a change in performance, for example, to account for the uncontrollable loss of customers. In both cases, adjustments positively affected the bonuses of salespeople.

The second type of responses were concerned with *compensation for the negative effects* of unrealistic and/or inequitable targets. This could happen via the *collective bonus* and the sales managers were responsible for this (L). They could discuss with salespeople (N) and discretionally compensate for the rigidity of the formula-based individual bonus system. However, this flexibility was rarely employed. Most salespeople obtained the collective bonus, deducted from their individual bonus, as a 'tax,' 'drain,' or 'direct debit' on their individual bonus. Their goal was to recover most of the 'lost' amount during the redistribution of the collective bonus. Therefore, numerous sales managers redistributed the collective bonus using the same distribution key found in the individual bonus system to 'avoid heated bargaining', particularly with high performers (see also Bol, 2011 or Bourguignon & Chiapello, 2005). Such mechanical distribution could safeguard against favouritism:

> The mathematical distribution of the collective bonus helps avoiding preferences made possible through discretionary distribution. (VP in charge of the performance system)

However, this was not necessarily fair since—as one sales manager put it—by doing so, sales managers deprived themselves of a means for 'correcting aberrations' in the system. Mechanical distribution could also be criticised from an equity perspective for not accounting for idiosyncratic elements, which could have been dealt with by using managerial discretion. Figure 1 summarises repair actions observed in the case.

Insert Figure 1 about here

4.5.4 Commensuration Work to Respond to Equity-related Criticisms

The assumption of systems designers and top managers was that, for most salespeople, a challenge of 105%–107% of the indicative reference would lead to stretched targets. As acknowledged by system designers, attention was focused on the bulk of the normal distribution. The system could be criticised for not being effective for its extremities, as one regional director argued, ‘we lose on good performers and we don’t make up for it on bad performers.’ ‘Equal yield,’ as he put it, could be criticised on grounds of effectiveness but also on grounds of equity. Similar targets implied that target difficulty was high for ‘bad performers’ and low for ‘good performers’ and, thus, that the expected intensity of efforts was not the same. The relative similarity of targets made it easier to raise equity-related criticisms if situations differed. This triggered commensuration work in order to improve the comparability of efforts.

4.5.4.1 Maintaining the Comparability of Customer Portfolios. One of the first types of commensuration work aimed at maintaining the comparability of customer portfolios. Systems designers and top managers knew that similar targets could be equitable only if salespeople’s situations were also similar. For example, in a presentation on the principles of the sales target system, designers suggested that ‘the size and composition of portfolios are considered sufficiently homogeneous for indicative references to be identical for each salesperson in the same function’. However, the size and composition of portfolios were not always as comparable as system designers imagined, which led to equity-related criticisms: ‘The target-setting framework is relatively fixed, which implies being too ambitious on some customer portfolios and not ambitious enough on others’ (sales manager). This was inequitable because the intensity of efforts differed depending on the size and quality of portfolios.

One of the first actions to make intensity of efforts comparable concerned the *transfer of customers from one portfolio to another.* Big portfolios made it easier for salespeople to attain their targets so that the intensity of efforts requested from these salespeople was low. Equalizing portfolios by transferring customers from big portfolios to smaller ones helped maintain system legitimacy. This was left to the discretion (N) of branch managers (L). Each year, in the target setting presentation, they were reminded that similar indicative references implied that salespeople’s situations were comparable. Further, sales managers could detect discrepancies between customer portfolios by using a query called ‘portfolio compliance’. In the event of discrepancies, they had the responsibility to transfer customers from one portfolio to another.

However, doing this proved to be difficult: salespeople with big portfolios were reluctant to transfer customers, particularly if they had enrolled them themselves. They did not find it fair or motivating to transfer their customers and to lose associated future sales. In addition, numerous customers preferred continuity over having a new salesperson. Consequently, homogeneity of portfolios was not always as expected, and reallocations—when they occurred—were usually made when salespeople moved to other branches.

4.5.4.2 Challenges to the Comparability of Situations. Salespeople could compare customer portfolios as well as other elements such as their experience and skills, the number of years with their current portfolio, the geographical area in which their branch was located, and the intensity of competition in the area. Then, as noted by Greenberg et al. (2007), numerous aspects could challenge comparability and raise equity-related criticisms towards similar targets. This was the case for branch locations. Numerous interviewees compared the situations of two bank branches. The first was located in a mountainous region with a declining population, where the bank historically had a large market share. Gaining new customers was a challenge there, while it was somewhat easier to improve the customer-loyalty indicator by selling more types of products to customers. In the second branch, located in a fast-growing urban region, the bank's market share was lower because it was more recently established. In this situation, gaining new customers was relatively easy, while improving customer loyalty was more difficult. Nevertheless, despite very different locations, these branches initially had the same indicative references for new customers and for the loyalty indicator. This example was often reported to emphasise the inequity of similar targets across different branch locations.

However, unlike customer portfolios, elements such as branch location, intensity of competition, or seniority of salespeople could not be directly acted upon to improve the comparability of salespeople's situations. For example, it was impossible to homogenise branch locations. This is why a 2004 presentation on the design principles of the target system mentioned two complementary ways to 'respect the equity principle'—'to equalise the conditions for exercising the profession' (same size of customer portfolios, same client characteristics) and 'to correct differences by increases/reductions of indicative references'. The latter suggests differentiating referents in order to account for differences in situations. This helps in making the intensity of efforts comparable. Further, differentiation of targets can be done mechanically (section 4.5.4.3) and discretionally (section 4.5.4.5)

4.5.4.3 Mechanical Differentiation. Mechanical differentiation was undertaken by system designers (C) and imposed on the entire bank (I). This was done through the introduction of the '*abatement mechanism*'. For example, to account for differences in the location of branches, branches were categorised into developing, mature, and declining branches. For the target lines 'Gaining New Customers' and 'Customer Loyalty', referents were adjusted by +/−10%, depending on the branch environment. For example, the branch in the mountainous area mentioned above would get an abatement of 10% on new-customer targets in order to acknowledge the impact of the declining demography.

Over the years, other abatements were also developed with 'an objective of equity in mind' (system designer). For example, indicative references were considered as too demanding for new salespeople. Thus, new salespeople were distinguished from other salespeople and their indicative references were reduced by 50% in the first year and 20% in the second year (see also Huffman & Cain, 2000). Similarly, abatements of one month's worth of sales targets were granted to salespeople who were transferred to another branch. This led to the understanding that in a new position, salespeople had to build new customer relationships. In the same manner, abatements were also developed for salespeople after long training courses and for trade unionists. Abatements implied creating new categories (new salespeople, transferred salespeople, new types of branches, etc.) and applying differentiated procedures to them. This led to the understanding that since situations differed, targets were required to be differentiated in order to 'make the intensity of efforts the same'.

4.5.4.4 Challenges to Mechanical Differentiation. Abatements made the system more complicated. As expressed in one of the 15 design principles of the target system, this was not considered a weakness: 'Simple systems are usually ineffective and unfair. Effective and fair systems are usually sophisticated'. However, it was impossible to develop as many abatements as there were elements of idiosyncrasy. This would turn the system into one where case-by-case management would be required. Therefore, abatements had to be limited. This was acknowledged by a group of sales managers working on possible evolutions of the system. They envisioned different weighting to 'Gaining New Customers' and to 'Customer Loyalty' depending on environmental differences; however, they also acknowledged that this could 'quickly make the system very complex or even unreadable'. Thus, they recommended using managerial discretion 'to avoid complicating the system'.

In addition, even abatements could be criticised for inadequately accounting for contextual differences. For example, a branch manager considered that 'abatements for people transferred to a new branch were lower than their actual impact.' In the same manner, numerous people considered that +/−10% abatements on new-customer and customer-loyalty targets could not mechanically reflect all differences in branch locations. For example, a regional director was satisfied with the existence of the +/−10% abatements but believed that it was not sufficiently pronounced. This implied that discretion could also be used to further differentiate targets and account for elements that were either badly accounted for or difficult to mechanically account for.

4.5.4.5 Discretionary Differentiation. Since abatements could not mediate all contingencies mechanically, *sales managers were frequently requested to differentiate more targets*. Such a path to equity was clearly formulated in sales managers' target setting training:

> Do not impose your scenario at all costs: be open to the counterproposals of your team, as long as they are well-argued and that they lead to an equitable distribution of efforts.

Two types of initiatives were taken to promote discretionary differentiation. First, sales managers were frequently asked to make the system more *'bottom-up'* and *resist communicating branch challenges* to salespeople. Otherwise, this could lead to, as the VP in charge of the system put it, an 'over-determination' of individual targets by branch challenges. Such 'over-determination' would reduce the differentiation of sales challenges. Certain managers resisted such communication, but numerous managers announced branch challenges as the minimal bar to be reached. For example, a branch manager formulated his decision process in the following manner:

> The two elements that I consider for accepting sales' target proposals are the respect of the branch sales challenge (i.e. 105%–106% for the branch) and equity in contributions. All the people who take more or less, need to justify and explain.

He was open to reasoned differentiation but closed to the branch sales challenge. Observations confirmed that the branch challenge was systematically announced prior to target-setting meetings in his branch and that differentiation of targets did happen but were rather limited. For example, during a sales target meeting, a saleswoman—although in deep trouble on account of her sales numbers—came with unrealistic target proposals. Consequently, although usually playing a different role, the sales manager spent most of the time lowering targets to account for the saleswoman's difficult situation. However, as acknowledged by both protagonists in separate interviews, the sales challenge was still too high and not sufficiently differentiated to account for the saleswoman difficult situation.

Overall, branch sales challenges strongly influenced individual targets and reduced discretionary differentiation, as summarized by a sales manager: ‘Indicative references and sales challenges “laminate” everything. This is in contradiction with a bottom-up target setting!’

Sales challenges had two advantages for sales managers. First, if everyone was above the minimum, it was easier ‘to be in the range announced by the region so that the reporting up of branch targets compilation is easy’ (sales manager). Second, a few managers used the regional constraint to ‘sugar the pill’ (sales manager). By doing so, they could not be blamed for misusing their discretion, and could always blame the regional headquarters for this ‘imposition.’

The second type of response to differentiate targets was to *develop tools* and to train and encourage sales managers *to use the margin of freedom provided by the system more*. Managerial discretion was supported by the development of the so-called ‘portfolio analysis file.’ This tool detailed the characteristics of a portfolio to adapt targets to the strengths and weaknesses of the portfolio. It could be complemented by a tool, which helped analysing the market shares of branches or their development potential in terms of new customers and of equipment rate.

Sales managers and salespeople were encouraged to use these tools to prepare sales targets meetings. However, even if these tools were generally considered positive, their effects were unconvincing. Analysing portfolios took time, and even those who mastered the tool could not always fully integrate the conclusions of their analysis in the target-setting process. Thus, they doubted whether the time and investment required to use the tool were worthwhile, as one salesperson commented,

> You need to take more than the indicative reference. This is imposed even if there is a dialogue with the branch manager. He sets the pace by announcing the branch challenge. This is all very

> formulaic! I was preparing for target-setting meetings until two years ago, but it takes time, especially to master the tools. I did not prepare for them this year!

A few managers and salespeople made an effort to use the portfolio analysis file to differentiate targets. As a branch manager said, 'it is important to spend time preparing sales targets because, if it is badly done, this will affect the serenity or the pressure experienced by salespeople.' However, they also acknowledged that the system was too constraining to allow sufficient differentiation of targets. Figure 2 summarises equity-related commensuration work observed in the case. It also includes, in italics, responses to previous criticisms.

Insert Figure 2 about here

4.6 Epilogue

Once the research was complete, the target system continued to evolve, and new abatements were created. For example, a few branches began to benefit from call routing towards the platform in order to gain sales time. The indicative reference on 'production points' for these branches was increased by 10% to account for this difference between branches. However, it was not easy to establish abatements and a few years after the research, the +/-10% abatements for branch location was finally suppressed. Instead, four different categories of branches were created with specific indicative references. This led to a differentiation of branch situations and indicative references to a much greater extent than the previous +/-10% abatement. Finally, a few systems constraints were reduced to increase the space remaining for 'discretionary differentiation'. In parallel, all branch managers were sent to a new training to develop their knowledge of the 'portfolio analysis file' and to utilise it to differentiate targets.

5. Discussion

This study explores commensuration work oriented towards legitimizing targets rather than the measures used to evaluate performance; thus, it is concerned with the commensuration of efforts, not entities. This research reveals that a continuous, distributed, and dynamic work is required to legitimize targets. This confirms that achievability-related repair actions (Bol & Smith, 2011; Giraud et al., 2008; Huffman & Cain, 2000; Libby & Lindsay, 2010; Merchant, 1987; Voussem et al., 2016) are of significance in restoring fairness (Bol, 2008; Voussem et al., 2016). The study also identifies and refines certain alternatives when designing repair actions (see Figure 1). However, the main contribution of this research lies in indicating that legitimation work is also triggered by equity-related criticisms. These criticisms trigger commensuration work that aims at 'making intensity of efforts the same'. The remainder of this section discusses such commensuration work; emphasizes its complexity; and suggests a few theoretical, practical, and methodological implications.

5.1 Characteristics of Commensuration Work to Make Intensity of Efforts the Same

The commensuration work analysed in this study extends prior commensuration literature by indicating that legitimizing commensuration may not only require legitimizing categories (e.g. Bowker & Star, 1999; Chiapello & Godefroy, 2017; Fourcade & Healy, 2017; Llewellyn & Northcott, 2005) and measured dimensions (e.g. Bourguignon & Chiapello, 2005; Fourcade & Healy, 2017; Lamont, 2012) used to commensurate entities but also referents. From an equity perspective, the study shows that targets must be differentiated to 'make intensity of efforts the same'. Such specific commensuration work concerns the comparability of effort; it does not imply to 'make things the same' (MacKenzie, 2009) but, rather, acknowledges that people or situations differ so they must be treated differently in the target-setting process. This study not only helps specify such particular commensuration work but also displays its complexity.

5.2 Sources of Complexity of Equity-related Commensuration Work

Differentiating targets to 'make intensity of efforts the same' is highly complex, at least for four reasons.

5.2.1 Identification of Differences to Account for in Targets

Making efforts comparable is complex because there are numerous possible differences between entities and situations that may be considered when differentiating targets. Differences may be related to employees' skills, tasks, experience, or seniority. Differences may also be related to size and quality of customer portfolios as well as market differences, such as differences in the location of branches or in the intensity of competition. Thus, it is a challenge to identify and account for *all* differences in target-setting in order to make intensity of efforts comparable. Continuous equity-related criticisms, claiming that certain differences are badly reflected in targets, are expected. This may, in turn, trigger a continuous requirement for managers and system designers to decide whether and how to respond to such criticisms.

5.2.2 Variety of Responses to Legitimate the Commensuration of Efforts

Legitimating the commensuration of efforts is also complex, as there are numerous ways of responding to equity-related criticisms raised against targets. This study indicates three generic ways of doing so (i.e. the three columns in Figure 2).

Commensuration work may attempt to homogenise entities or situations to make the comparison of targets more legitimate. This is the case of the transfer of customers in which an attempt is made to homogenise the size and quality of customer' portfolios. This enables legitimising identical indicative references within a category of salespeople. This type of work resonates with commensuration work noted by Porter (1996) to homogenise the quality of grains on the Chicago Exchange within a category of traded grains. However, such work has limitations, since it is impossible to homogenise all entities (e.g. salespeople) or situations (e.g.

branch locations). Therefore, certain complementary commensuration work is required to differentiate targets and make efforts comparable. This can be done through mechanical and discretionary differentiation.

Mechanical differentiation aims at differentiating targets through interventions in the target-setting system and procedures. The study reveals that the commensuration of efforts requires not only categorization work (Bowker & Star, 1999; Fourcade & Healy, 2017; Llewellyn & Northcott, 2005) but also differentiation of referents and procedures. It implies both creating new and more homogeneous categories (Chiapello & Godefroy, 2017) in the system, such as new or transferred salespeople, or new categories of bank branches such as developing, declining, or mature branches, and differentiating referents (i.e. indicative references) and procedures (i.e. abatements) depending on sub-categories. This enables making the intensity of efforts comparable by accounting for differences in situations. However, mechanical differentiation has its limits, as system manageability makes it impossible to account for all differences (Bowker & Star, 1999; Chenhall et al., 2013).

Thus, discretionary differentiation enables flexibly accounting for differences in situations that are difficult to account for in the target system. This may complement mechanical differentiation by accounting for its limits. However, discretionary differentiation may also lead to illegitimate differences in target-setting. This was one of the main criticisms raised against the previous system, which allowed for substantial discretion to differentiate targets but was criticised for bias and favouritism (Bellavance et al., 2013; Giraud et al., 2008; Merchant & Manzoni, 1989). This led to a sharp reduction of the discretionary space. Then, such commensuration work is not only about differentiating targets but also about doing so legitimately.

Thus, discretionary differentiation raises the issue of the discretionary space given to local actors to differentiate targets. Voussem et al. (2016) suggested that discretion was required in fairness management but that optimal discretionary space might be limited. However, our study suggests that if discretionary space is too limited, it may lead actors to not exercise discretion because it may be inconsequential. In addition, even if the study confirms that a minimum of discretionary space is required, it also raises doubts regarding the possibility of defining an optimal discretionary space. Since discretion of local managers and salespeople can be tooled—for example, with the customer portfolio analysis file—the dilemma is not simply between mechanical and discretionary forms of differentiations. It is more about the intertwinement among different degrees of discretion and different forms of objectifications and their use and legitimacy in the differentiation of targets.

5.2.3 Equity-related Commensuration Work as a Distributed Task

Commensuration work that is aimed at making efforts comparable is also complex, since managing fairness in target-setting is a distributed task (Bourguignon & Chiapello, 2005). A large number of actors affect the commensuration of efforts. This suggests expanding the scope of target-setting research, which, according to Feichter et al. (2018, p. 30), 'focus predominantly on individual/dyadic reactions to performance targets'. Such limited focus downplays the fact that 'target-setting involves multiple parties at different levels of the organizational hierarchy, not just one superior and one subordinate as assumed in much of prior work'. (Matějka, 2018, p. 18). The study reveals that central managers and systems designers take numerous actions to help differentiate targets both directly by differentiating indicative references and abatements and indirectly by encouraging, tooling, and training sales managers to differentiate targets. Thus, it is important to account for these multiple actors when designing research on target-setting and on the work undertaken to make targets legitimate.

Further, the distributed nature of such commensuration work also adds complexity and uncertainty. For example, while sales managers were encouraged to differentiate targets, numerous sales managers instrumentalised branch sales challenges to 'sugar the pill,' to ease the reporting of branch sales challenges, or to avoid lengthy and/or heated negotiations with salespeople. For various reasons (see, e.g., Bol, 2010 for a review), sales managers may thus refrain from using their discretion to differentiate targets. This explains why mechanical differentiation may, occasionally, be preferred[5] by systems designers to make the intensity of efforts the same, although this cannot account for all idiosyncrasies. Consequently, since multiple parties have multiple objectives during target-setting (Matějka, 2018) and since fairness may not always be the most important concern for actors (Bourguignon & Chiapello, 2005), there is always indeterminacy concerning the result of the distributed commensuration work.

5.2.4 Tensions Between Mechanical and Discretionary Differentiation in Equity-related Commensuration Work

This study also reveals that complexity originates in tensions between mechanical and discretionary forms of differentiation. Each form of differentiation, from a fairness perspective, engenders its own advantages but also its own sources of illegitimacy. Mechanical differentiation relies on 'mechanical objectivity' (Porter, 1996) and 'focuses on impersonality, on standardization, and on the total reproducibility of the judgment procedure' (Bourguignon & Chiapello, 2005, p. 693). As such, it guarantees equal treatment of individuals and may offer 'protection against charges of arbitrariness or bias' (Espeland, 1997, p. 1110; Porter, 1996). However, mechanical differentiation cannot take advantage of the knowledge of situations among local managers and salespeople in differentiating targets. As Espeland (1997) put it, 'mechanical objectivity can never be completely mechanistic' (ibid, p. 1120). Therefore, 'disciplinary objectivity' is also important to manage fairness, as it takes into account the expertise and field knowledge of appraisers (Bourguignon and Chiapello, 2005; Megill, 1994;

[5] It is also cheaper, as one reviewer noted, since it avoids ongoing personal involvement of managers.

Porter, 1996) even if it leads to the possibility of bias and favouritism (Bellavance et al., 2013; Giraud et al., 2008; Merchant & Manzoni, 1989).

Thus, each form of intervention dynamically produces legitimacy as well as new types of illegitimacy. For example, changes in the target-setting system reduced the possibilities of favouritism (a form of illegitimacy) and helped produce more equal targets. This was generally accepted but became the source of new equity-related criticisms, such as the lack of target differentiation among branches (another form of illegitimacy). Tensions between mechanical and discretionary forms of differentiation suggest that commensuration work aimed at 'making intensity of efforts the same' may be a 'never-ending process' (Lohmann, 2009). While most studies on target-setting concern one-point-in-time analyses or one-period experiments, this methodologically suggests that it is useful to analyse responses to unfairness criticisms over a long time frame to consider the effects and new issues that may be produced by these responses.

6. Conclusion

This study contributes to literature on target-setting by showing that the management of the fairness of *ex-ante* targets does not only require achievability-related repair actions (Bol & Smith, 2011; Giraud et al., 2008; Huffman & Cain, 2000; Libby & Lindsay, 2010; Merchant, 1987; Voussem et al., 2016) but also equity-related commensuration work. Such original commensuration work departs from prior commensuration studies (e.g. Desrosières, 1998; Espeland & Stevens, 1998; Espeland & Sauder, 2007; MacKenzie, 2009; Porter, 1996) because it concerns the comparability of efforts, not entities. It aims at legitimizing targets used to regulate the intensity of efforts, not the categories (Bowker & Star, 1999; Chiapello & Godefroy, 2017; Fourcade & Healy, 2017; Llewellyn & Northcott, 2005), the criteria, or the performance indicators (Bourguignon & Chiapello, 2005; Lamont, 2012) used to compare entities.

From an equity perspective, legitimizing targets implies differentiating them in order to account for differences in situations and to 'make intensity of efforts the same'. This study reveals the complexity of such commensuration work: it is difficult to account for all differences in situations when establishing targets and differentiating targets can be done mechanically and discretionally, with each form of differentiation involving different actors with multiple concerns and having its own advantages but also its limitations with regard to the management of fairness. Therefore, the results of such distributed commensuration work are always uncertain and it appears to be continuous work rather than a final design.

Such commensuration work also resonates with a more general dilemma. As Sampson (1975, p. 48) mentioned, equity or equality are 'two contrasting solutions to the distributive problem'. Equity implies making differences in order to be fair, while equality implies not differentiating in order to be fair. This implies that making a difference in target-setting may be judged as fair when employing equity but unfair when employing equality. The tension between these two evaluative principles was noticeable at the bank used for the case study. The creation of more homogeneous categories of salespeople with differentiated referents and procedures acknowledged the need for differences in targets (equity). This produced more equal targets (equality) for salespeople belonging to the same categoryand was generally accepted as legitimate. However, it also raised equity-related criticisms and commensuration work aimed at responding to these criticisms (equity). This tension between these two evaluative principles (Chenhall et al., 2013; Stark, 2011) suggests that it is impossible to safeguard against fairness criticisms, since these are influenced by the principle that is mobilised when forming fairness judgements. Because of trade-offs or contradictions between evaluative principles (Bourguignon & Chiapello, 2005; Giraud et al., 2008; Hartmann & Slapničar, 2012), it may be impossible to design intrinsically fair practices. Thus, this reinforces the idea that commensuration work aimed at legitimizing the comparability of targets is a continuous process. This result makes the analytical taxonomy theoretically and practically useful as a means to identify and discuss alternative design choices and associated dilemmas when attempting to legitimize *ex-ante* targets.

Further research may usefully complement such a taxonomy, as there may be other responses to unfairness criticisms and other forms of commensuration work. In particular, there may be variations in this regard, since literature on organizational justice indicates that equity and equality are differently influential in individualistic vs. collectivist cultures (James, 1973), in different religions (Stone & Stone-Romero, 2002), political ideologies (Rokeach, 1973), and countries (Leung & Bond, 1984; Sampson, 1975). This may then differently influence commensuration work. Thus, the proposed taxonomy is not a finished theoretical construct. In light both of the paucity of studies on the topic and the complexity of commensuration work required to 'make intensity of efforts the same', such exploration appears worth continuing.

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Appendix

Table A. Details of research steps and data collection methods

Period	*Steps and work done*	*Methods used*
May–September 2003	1: General analysis of the sales performance system and practices, including sales targets	• Presence for two to three days a week in the headquarters with a dedicated desk in the performance management team—numerous informal discussions • Collection of miscellaneous documents (presentations, analyses, statistics, reports, etc.) • 20 formal discovery interviews, mainly with support functions involved in sales performance management (sales performance resp., sales bonus resp., data administrator, marketing manager, VP in charge of sales development, private customers resp. etc.)—for various durations but minimum one hour, on average.
September–November 2003	2: Observation in four branches of target-setting and performance management processes	• Observation of two sales target meetings between the branch manager and all the salespeople. • Observation of eight individual sales target meetings. • Shadowing of a branch manager for one day. • 17 interviews (5 with sales managers, 11 with salespeople and 1 with a support function): average duration 2 h 15 min • Observation of two sales meetings. • Collection of miscellaneous documents (sales meetings minutes, mails, reports, etc.)
Mid-November 2003–mid-April 2004	3: Deepening understanding and writing a report on the sales target system and sales performance management in the bank	• Electronic feedback on a synthesis of interviews from actors in bank branches. • Around 30 complementary formal and informal interviews with sales managers and support functions focused on specific themes and questions raised by the analysis of previously collected data: various durations—ranging from a few minutes to 2–3 hours.
Mid-April–July 2004	4: Confronting researcher's interpretation on sales target system and performance management with actors' interpretations	• 14 individual feedback interviews on a report on the sales target system and sales performance management (sales managers and support functions). • Informal and ad-hoc interviews on specific points, following first feedback. • Collective feedback in a dedicated executive meeting.

Table 1. Example of sales challenge for a private wealth adviser

My targets			My challenge		
Target areas	Indicative reference	Target	Target/ indicative reference (%)	Weighting (%)	Weighted challenge (%)
Area 1 :New customers	37	36	97.30	48	46.7
Area 1 : Loyalty	19	22	115.79	25	28.96
Area 4: Equipment	4,000	4,160	104	19	19.76
Production points	23,750	25,000	105.26	8	8.42
			Total challenge		103.83

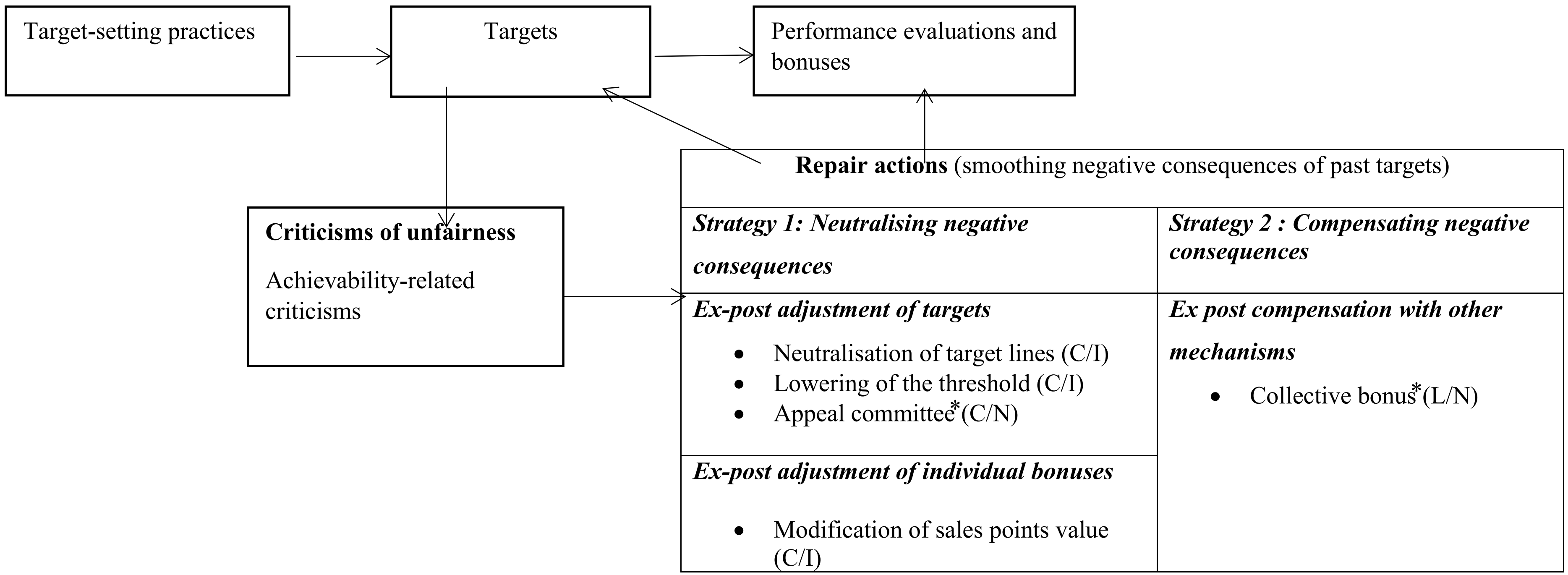
Table 2. Example of individual bonus calculation

1.	Number of production points at end of March	10,348 points
2.	Impact of sales achievements on target areas 2 and 3	+ 13,68%[1]
3.	Production points to remunerate (1 × (100% + 2))	11,764 points
4.	Monetary value of points	0.0751 €[2]
5.	Bonus at end of March (3 × 4)	883.48 €

[1] The salesperson's achievements in target areas 2 and 3 exceed indicative references, thereby increasing the number of production points.

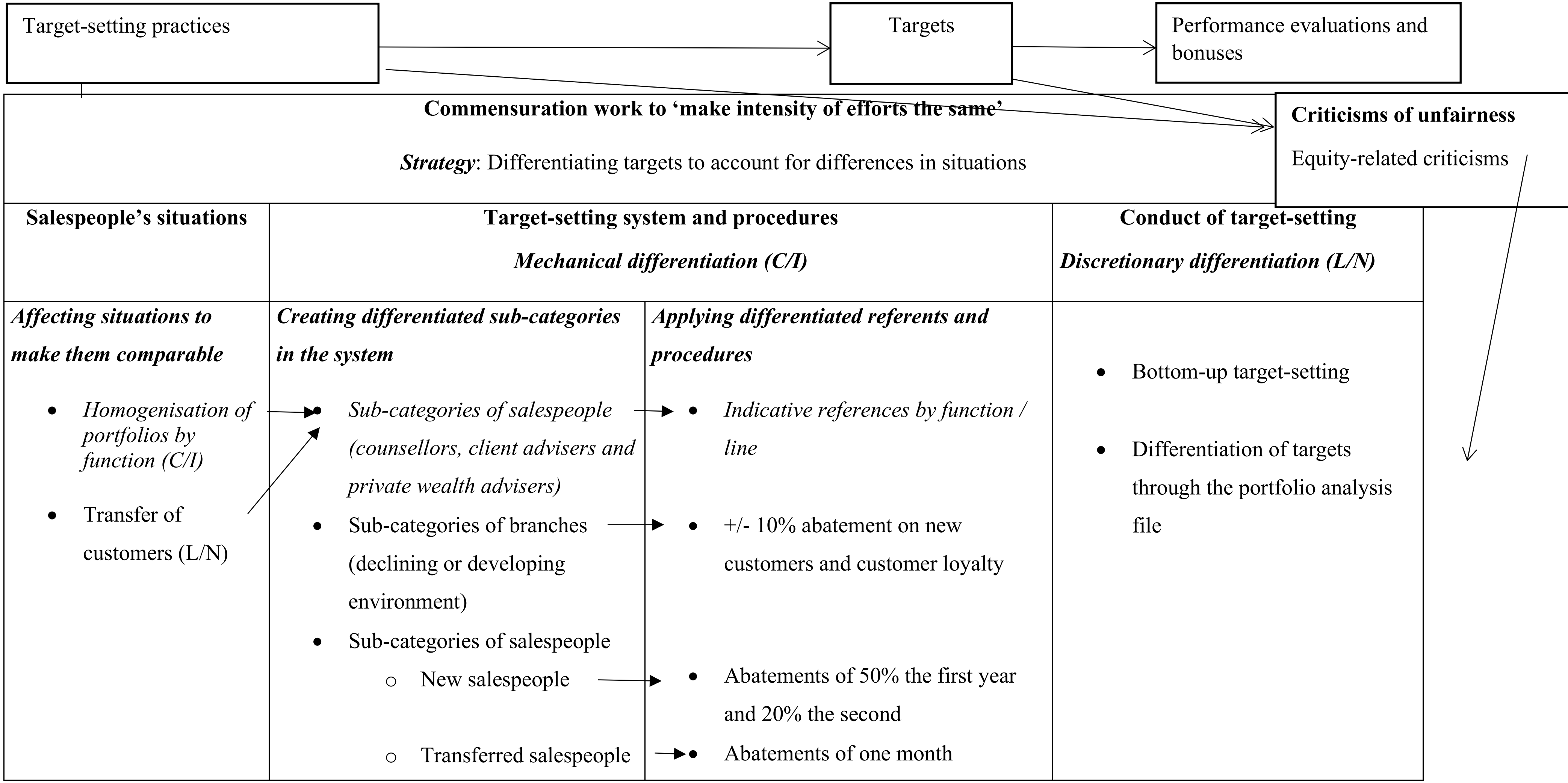
[2] The monetary value decided by top management was 0.07 €. The applied monetary value is higher since the salesperson took a sales challenge of 103.83% (ambition, see Table 1) and has sales achievements (99.76%) that are close to the challenge (realism).

Figure 1. Achievability-related repair actions



*Can be used to respond both to achievability and equity-related criticisms.

Figure 2. Equity-related commensuration work



NB: In italics, changes made on the previous system