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### Master's Thesis of Public Administration

# The Relationship of Goal Setting and Planning Attributes:

The Case of the National Economic and Development Authority

목표 설정 및 계획 속성의 관계 필리핀 국가경제개발당국 사례를 중심으로

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### **Abstract**

# The Relationship of Goal Setting and Planning Attributes

The Case of the National Economic and Development Authority

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Given that there are several attributes relating to the goal setting and planning process, the researcher identified a need to investigate the relationship of these attributes to organizational performance and understand which among these can influence organizational performance better. The study also tried to assess if the performance management system is working as an effective tool in facilitating strategic alignment of goals within the organization and in improving organizational performance.

The study found that the use of goal setting in performance appraisal, organizational facilitation of goal achievement, and goal clarity have relatively high association with organizational performance. Further, it was also revealed that goal stress has a positive relationship with organizational performance. Additional findings suggested that depending on the measure of organizational performance, different combinations of goal setting and planning attributes exist.

Keywords: goal setting, planning, organizational performance

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### **Table of Contents**

Chapter I: Introduction1
Chapter II: Literature Review and Hypotheses4
Organizational Performance4
Goal Setting and Planning and Organizational Performance7
1. Supervisor Support and Organizational Performance12
2. Goal Stress and Organizational Performance
3. Goal Efficacy and Organizational Performance15
4. Goal Rationale and Organizational Performance17
5. Use of Goal Setting in Performance Appraisals and Organizational Performance
6. Tangible Rewards and Organizational Performance19
7. Goal Conflict and Organizational Performance21
8. Organizational Facilitation of Goal Achievement and
Organizational Performance
9. Dysfunctional Effect of Goals and Organizational Performance
10. Goal Clarity and Organizational Performance26
Quality Performance Management System28
Research Model31
Chapter III: Methodology33
Sample Selection
Data Collection Procedure
Measures

Annex (Survey Questionnaire)	85
References	76
Limitations and Recommendations for Future Research	74
Summary and Conclusion	71
Practical Implications	69
Chapter V: Discussion	60
Regression Analysis	51
Correlation Matrix	49
Summary Statistics	45
Chapter IV: Results	45
Data Analysis	43

### **List of Figures and Tables**

Figure 1: Research Model	32
Figure 2: NEDA Secretariat Organizational Structure	36
Table 1: Respondent's Profile	37
Table 2: Definition and Measures of Variables	40
Table 3: Summary Statistics per Question	47
Table 4: Summary Statistics (Mean Response per Factor)	49
Table 5: Correlation Matrix	50
Table 6: Results of Multiple Regression	52
Table 7: Interaction terms of Goal Setting and Planning Attribute	es
and Quality Performance Management System	54
Table 8: Results of Multiple Regression for Each Measure of the	•
Dependent Variable	56
Table 9: Summary of Hypotheses and Results	68

### **Chapter I: Introduction**

Nowadays, the roles of public organizations are becoming larger, more extensive, and all encompassing. Aside from them being so complex in structure, its functions and responsibilities are ever evolving as demands for more efficient service delivery, accountability, and transparency from its stakeholders become increasingly imperative, especially in developing countries where public service delivery is crucial to alleviate poverty. As a result, public organizations are being restructured in order to better meet the needs and demands of the citizens. But despite this effort to reform, the constant portrayal and reporting of scandals, dishonesty, and unethical behavior in the public service conveyed by various news media platforms exacerbate the negative perception toward public organization.

Public organizations are often stereotyped as incompetent, inefficient, and insensitive to the needs of its stakeholders, while its employees enjoy high salaries yet are mediocre and less reliable compared to their counterparts in the private sector. A study conducted by Blind (2007) for the United Nations stated that dissatisfaction with the government was found to be 65% in Western Europe, 73% in Eastern and Central Europe, 60% in North America, 61% in Africa, 65% in Asia Pacific and 69% in Latin America. More recently, the increasing decline in public trust was evident in a report by the Organization for Economic Cooperation and Development (OECD) in 2017 which stated that on average, less than half of the citizens (42%) of OECD-member countries have trust in their national government, representing a decline of three percentage points since 2007.

A number of studies have found a strong relationship among trust in government, government agencies' performance, and the quality of public administration (Gurtoo and Williams, 2015). Mizhari et al (2009) and Morgeson and Petrescu (2011), as stated in Gurtoo and Williams (2015), found this kind of relationship using both objective measurement (using fiscal data) and subjective measurement (through the use of satisfaction surveys). Moreover, Van de Walle and Bouckaert (2003) argued the two-way relationship of public service performance and trust in government, stating that not only the performance of public organizations has impact on trust in government but also the prevailing levels of public trust may have an effect on the perception of the performance of the government.

The Philippine government has been emphasizing the need to veer away from these negative stereotypes and improve the public's perception. Thus, highlighted in the Philippine Development Plan 2017-2022 is the need to strengthen the accountability for results in implementing development programs, activities, and projects to ensure effective delivery of public service to the Filipino people.

The Results-Based Performance Management System (RBPMS) and the Strategic Performance Management System (SPMS) are put in place to strengthen the culture of efficient planning, performance and accountability in the bureaucracy. These two performance management systems are being utilized to link national development goals with organizational and individual goals. Through the implementation of these performance management systems, public managers as well as rank and file

employees realized the critical role of goal-setting and strategic planning in the measurement and enhancement of organizational performance.

This study aims to explain the influence of the various goal setting and planning attributes on organizational performance, and the influence of a quality performance management system, which is seldom studied at present. Given that there are several attributes relating to the goal setting and planning process, the researcher identified a need to investigate the relationship of these attributes and understand which of these can influence organizational performance better. The research questions addressed in this study are: (1) Is there a relationship between goal setting and planning attributes and perceived organizational performance when controlling for employee characteristics? and (2) Does a quality performance management system moderate the relationship between goal setting and planning attributes and perceived organizational performance when controlling for employee characteristics?

Findings of this study aims to improve the internal management processes of government organizations by highlighting which of the goal setting and planning attributes are most significant in attaining certain outcomes. The study also aims to assess if the performance management system is working as an effective tool in ensuring strategic alignment of goals within the organization. More importantly, this study aims to contribute in existing literature as most of the studies relate the goal setting attributes to employee motivation, and by emphasizing the experiences of public organizations in Asia, particularly in developing countries, as majority, if not all, studies relating to said topic were done in Western countries.

### **Chapter II: Literature Review and Hypotheses**

This chapter aims to review pertinent theories and previous researches pertaining to the variables of this study: goal and planning attributes such as supervisory support, goal stress, goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effect of goals, goal clarity, and their relationship with organizational performance. The first part intends to discuss various studies on how performance in the organization is measured. The subsequent sections discuss the relationship between the goal setting and planning factors and organizational performance. The possible moderating effect of the dimensions of a quality performance management system, namely credible measures, award expectancy, feedback, and employee involvement is examined. The last section shows a conceptual framework illustrating the hypothesized relationship of the variables in this study.

### **Organizational Performance**

Measuring organizational performance and effectiveness, particularly that of public organizations, is a very important task to ensure transparency, in terms of the how public money is spent in relation to the effective and efficient delivery of public goods and services. This kind of measurement suggests that the public organizations attain good results as a result of its own internal management process (Rainey, 2014).

Models to explain performance of public organizations fall into a multi-dimensional measure (Mihaui, 2014). A multi-dimensional model, which includes the Total Quality Management (TQM) model of the European Institute of Public Administration, the Performance Pyramid Model by Lynch and Cross, the Balanced Scorecard by Kaplan and Norton, Performance Prism by Neely, et al, Benchmarking, and Public Service Model by Jupp and Younger, measure performance through financial and non-financial indicators. In recent years, public organizations developed their own performance rating tool such as the Program Assessment Rating Tool (PART) of the Office of Management and Budget to measure the agency program performance of the United States of America's agencies. Ayers (2015) made use of this to measure the relationship of goal alignment in performance management appraisal programs and organizational performance.

Aside from objectives measures, subjective measures also exist to gauge organizational performance. Brewer (2006) argued that all measures of performance are subjective because these measures are socially-constructed. He introduced a framework of a perceptual measure of organizational performance incorporating the three criteria of validity, reliability, and sensitivity. Since this type of performance measurement has validity issues, he tried to offer ways on how to assess the validity threats (Brewer, 2006). He applied this concept in an empirical analysis, studying federal agencies in the United States. Navid et al. (2017), on the other hand, examined the causal relationship of human resource management practice and perceived organizational performance and found out that there is a positive and significant relationship of perceived organizational

performance with human resource management such as recruitment, selection, reward and compensation, and performance appraisal. A study of Jung and Lee (2013) also applied the perceived organizational performance to study the effects of goal properties and capacity of organization for strategic planning on the performance of government agencies.

A number of studies further elaborated the difference between quantitative and qualitative public sector performance. Carter et al. (1992) defined quantitative performance as the quantitative characteristics of performance such as quantity of output, utilization and use of resources (budget), and efficiency, while qualitative performance represents both operational quality, which refers to routine work that are done accurately and promptly (Carter et al, 1992) and strategic capacity, which are needed to enhance the organization's effectiveness (Kaplan, 2001). Verbeeten (2008) stated that a number of researches have argued that measures on quantitative performance have a tendency to ignore the qualitative characteristics of service delivery since it is extremely challenging to gauge. The result of the study on this argument indicated that the increase in performance in terms of quantity was achieved at the expense of qualitative performance.

Pfau and Kay (2002), as cited by Kim (2010) argued that organizations experience increased performance and productivity when they are recognized by employees as great places to work. That is, performance measurement that are subjective and given by employees are significant to performance and productivity increases. As Brewer (2006) pointed out, many public organization performance measures are subjective and that measures have some validity and reliability issues because of self-

evaluation bias (Kim, 2010). Andrews, Boyne, and Walker, as cited by Kim (2010), argued that objective performance measures also have serious questions related to accuracy, and they suggested that no truly objective measures of public service performance exist.

## Goal Setting/ Planning and Organizational Performance

Goals are very important in an organization. A goal is usually defined as something that an organization wants to achieve or realize in the future (Christiansen et al, 2007). It is meant to enhance an organization's legitimacy and guide the action of its members. It serves as "rationale for organizational structure and design, motivates organizational members, and gives a sense of belongingness to an organization" (Im, 2017).

Goal-setting theory (Latham et al., 2008) offers a significant theoretical background for exploring the contributions of individual goals to organizational performance. According to the theory, individual employees are more likely to be motivated and achieve their goals if they understand what is expected of them (Ayers, 2015). The important components of the goal-setting theory, as summarized by Im (2017) are as follows: (a) goal acceptance or commitment, in which the individual is committed to the goal because of his or her involvement in the goal-setting process; (b) goal specificity which assumes that goal needs to be specific and concrete in order to affect the behavior of the members of the organization; (c) goal difficulty which in which employees get more

motivated to work if the goal is challenging; and (d) feedback from which individuals check their progress towards achieving the goal.

Research studies applying this theory found out that goal-setting leads to increased performance. In particular, studies conducted in the private sector revealed that production increased significantly when goal setting condition, such as participation in goal setting and inclusion of goal setting in performance appraisals, are satisfied (Lawrence and Smith, 1955; Sorcher, 1967; Burke and Wilcox, 1969; Latham and Yuki, 1975; Kolb and Bayatzis, 1971; and Wexley and Nemeroff, 1975).

In the public sector, Jung and Lee (2013) made use of the key components of the goal-setting theory to understand its effects on government agency performance. They found out that these goal-related attributes can make crucial contributions to the enhancement of organizational performance (Jung and Lee, 2013). Taylor (2013), on the other hand, argued that these goal-setting theory components, specifically goal specificity and goal difficulty, do not directly increase performance, but rather they regulate performance by providing employees with definite direction from which they can utilize their effort to achieve goals.

Tead (1951) identified six aspects of organizational goals. These are the legal, functional, technical, profit making, personal, and public. These aspects try to illustrate the complexity of goals in an organization (Im, 2017). Because of this complexity, one of the main challenges faced by public organizations is to achieve internal alignment of the organization at different levels (OECD, 1995). Conflict arises in an organization when individual goals and interests somehow varies, or the organizational goal

do not necessarily match the goals of its members. Because goal alignment in organizational management systems is crucial for increased organizational performance, public organizations need to strategically align their organization goals with their respective employee goals (Kaplan and Norton, 1992).

Schiemann (2009, p. 47) defines alignment as the "extent to which employees are similarly connected or have a consistent line of sight to the vision and direction of the organization and its customers, often encapsulated within its current strategy." The three elements are as follows: (1) link between the employee's behaviors and results with the overall organizational goals; (2) link to customers' needs and expectations; and (3) behaviors that are in line with the organizational brand.

Based on review of literature, case studies, and interview, Schiemann (2009) have recognized seven (7) important factors that sets apart organizations that are effectively aligned. These include: (1) a clear, agreed-on vision and strategy; (2) translation of vision and strategy into clear, understandable goals and measures; (3) acceptance, or passion for, the vision, strategy, goals, among those who are implementing them; (4) clarity regarding individual roles and requirements in supporting the strategic goals – and the extent to which these have been effectively cascaded and interlinked across the organization; (5) sufficient capabilities (talent, information, and resources) to deliver the behaviors needed to reach the goals; (6) clear, timely feedback on goal attainment and the drivers of these goals; and (7) meaningful incentives to encourage employees to develop or deploy sufficient capabilities to achieve goals.

Alignment can be achieved by combing human resource practices with one another, and with other management processes. It can also be achieved through other methods: for instance, employees engaging in open and frequent communication, as well as involving employees in internal or external meetings of senior managers (Blackman, et al, 2012). This will improve the employee's appreciation of the goals and priorities of the organization. This will also provide clearness on how decisions were made and why a particular direction or focus has been adopted. Regular and effective communication between managers and employees were also found to be important for the achievement of alignment between organizational strategy and individual goals.

Goal alignment or goal integration (Schuler and McMillan, 2008) is concerned with linking individual goal outcomes with organizational goal outcomes (Ayers, 2015). According to Schuler and McMillan (2008), organizational goal integration pertains to the interaction of the organization and individual employee and how they work together to attain the overall objectives of the organization.

A number of theories and approaches can explain the role of aligning organization goals with that of individual goals. The principal-agent theory (Andrews et al, 2012) suggests that a vertical strategic alignment results in improved performance at different levels of the organization. Drucker's (1954) Management by Objective approach stresses emphasizing organizational goals to improve organizational performance through the principle of finding a balance between the cascading of the goals of the organization with the specific objectives of the

employees. The key to this approach is to encourage full participation of employees in defining the objectives of the organization.

As such, goal alignment encourages an environment where the organization holds its employees accountable to attain a certain outcome and where employees are given the opportunity to be in agreement with the outcome that the organizations is expecting. This concept of strategic planning is well established in the study of Miller and Cardinal (1994) which suggests the positive relationship of planning strategically on firm performance. Performance management, especially those which promotes performance planning and contracting, in public organizations also highlights the positive association of clear and measurable goals with quality and quantity performance (Verbeeten, 2008)

Goal setting theory states that the effect of the goal setting components on performance are not restricted in the individual level. Smith et al. (1990) and Peters and Waterman (2004) have found out in their respective studies that setting specific goals at the organizational and individual level positively affects the organizational performance (Jung and Lee, 2013).

The use of goal model to assess organizational performance has been present in several literature. Studies on performance management (Latham et al., 2008), leadership (Colbert et al., 2008), strategic planning (Houston et al., 2010), and organizational (Sitkin et al., 2011) reported a positive relationship between the use of goal setting and organizational performance. Martz (2013) mentioned that early proponents of the goal-oriented approach to evaluate the performance of the organization focused

on outcomes or the end results of the activities conducted by an organization. Management by objectives of Ducker (1954) is the ultimate goal-oriented model because the main consideration of performance is whether the organization accomplished the tasks that were identified beforehand as necessary (Martz, 2013). The explanation why goal setting usually has a positive effect on performance is that a particularly high goal influences one's preference, determination, and persistence. In other words, a specific goal or target intensifies a person's motivation on what is to be done. Furthermore, commitment to a specific high goal, directs to perseverance until the accomplishment of the goal (Latham et al., 2008).

Lee et al. (1991) studied Locke and Latham's (1984) goal setting measure to examine the factor structure and psychometric properties of the original goal setting dimensions. Lee et al. (1991), after using principal component analysis, identified ten meaningful attributes resulting from the goal setting process. These are supervisor support, goal stress, goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effect of goals, and goal clarity.

#### 1. Supervisor support and organizational performance

Supervisor support or participation refers to the supportiveness and eagerness of the supervisor to let his or her subordinates participate in the goal setting and strategy development process (Lee et al., 1991; and Kwan and Lee, 2013). Various organizational support literature (Viswesvaran, Sanchez,

and Fisher, 1999; Rhoades and Eisenberger, 2002 and; Shanock and Eisenberger, 2006) argued that support given by supervisors to their subordinates leads to positive results, such as work stress reduction and enhanced performance, for both the employee and the organization. Lee et al. (1991) also found the same positive relationship between supervisor support and performance. Organizational Support Theory suggests that perceived supervisor support stresses the importance of the impressions of the employee's belief that their supervisors appreciate and values their contribution to the organization (Rhoades and Eisenberger, 2002). The employee's view of being valued by his or her organization, in this case in the goal setting process, would support and encourage a sense of belongingness for the organization making them perform better toward achieving overall organizational goals (Rhoades and Eisenberger, 2002). As a result of supervisor support, organizational performance can be positively influenced.

 $H_1$ : Supervisor support positively affects perceived organizational performance.

### 2. Goal stress and organizational performance

Goal stress is defined by Lee et al. (1991) and Kwan and Lee (2013) as the difficulties or stress placed by an organization to their employees to attain the goals. Pareek (1994) named three kinds of conditions existing in the organizations that can be responsible for work stress. Among these conditions mentioned

was role overload. Role overload refers to the state when the role occupant feels that there too many expectations relative to those from others in his or her role set (Pareek, 1994). A similar concept was presented previously by Westman and Eden (1992). They defined a stressful situation as any situation in which a person perceives the demands made upon on him or her as exceeding his or her ability. Stress can also be defined by the sense of time pressure, anxiety, and worry that is associated with job task.

Although stress was found to have positive effects on performance (Andrew and Farris, 1972; Latham and Locke, 1975; Basset, 1979; Peters et al., 1984; LePine et al., 2005; Hunter and Thatcher, 2007; and Coelho et al., 2011), the general argument of most studies (Peters et al., 1984; Locke and Latham, 1984 as cited by Lee et al., 1991; Westman and Eden, 1992; Briner and Reynolds, 1999; Fevre et al., 2003; Ongori and Agolla, 2008; Coehlo et al., 2011; and Kakkos and Trivellas, 2011) is that stress must be minimized in order to realize the intended effects of goal setting.

Goal stress was found to be negatively related to organizational performance (Lee et al., 1991). Westman and Eden (1992) stated a reverse linear relationship between stress resulting from excessive demands and assessed performance in tasks of great importance to the respondents. High levels of stress experienced at different times were associated with substantially lower performance of various tasks. The persistence of this relationship across different events, as well as across different raters and measures, highlights the potential for excessive demand to have

adverse effects on performance. Sikuku et al. (2017) also mentioned in the study that they conducted about the influence of organizational stress on performance among employees in Kenya that some of the respondents felt that stress led to lack of commitment among the employees towards organizational goals. A study (Ongori and Agolla, 2008) on the effects of occupational stress on employee performance stated that the majority of the respondents confirmed that they work below the standard when they experience stress. Implementation of the performance management system, work overload, and high responsibility were found to be the highest stressors employees experience on the job. This shows that without proper intervention, stress will have an adverse effect on the individual employee performance, thereby affecting the organization at large. Even in situations of modest stress, chronic stress may erode individuals' coping ability. Regardless of the level of effort extended by employees, his or her behaviors are likely to be inefficient, misdirected, or insufficient (Coehlo et al., 2011).

 $H_2$ : Goal stress negatively affects perceived organizational performance.

#### 3. Goal efficacy and organizational performance

Goal efficacy represents whether a person feels capable of accomplishing the goal, with the aid of action plans and development interventions (Lee et al., 1991 and Kwan and Lee,

2013). Expectancy theory argues that a person's choices are influenced by his or her perception of how well he or she can perform a task (Locke et al., 1988). These perceptions are believed to be the outcome of how one's capabilities are assessed, incorporated, and evaluated, which in turn affects one's decision and determination to do a particular task (Gist, 1987). In simple terms, self-efficacy is a person's confidence to attain a particular goal (Latham et al., 2008). Locke and Latham (1990) and Latham, Locke, and Fassina (2002), as stated by Latham et al., (2008), developed a high performance cycle model which states that having a high self-efficacy in attaining difficult goals drives high performance. According to the model, a high self-efficacy motivates people to find strategies that would facilitate the attainment of goals. Mace (1935), as stated by Latham et al., (2008), conducted a study that found out that a goal will have a positive effect on performance only if the person has the skills or knowledge to attain it. Zulkosky (2009) summarized that there are four principle sources of self-efficacy. A person, in order to gain a sense of self-efficacy, must be able to: (1) successfully complete a task; (2) observe someone else complete the task successfully; (3) acquire constructive feedback concerning task completion; or (4) depend on psychological signals which consists of bodily signals like anxiety or stress (Zulkosky, 2009). Furthermore, Jacobsen and Bogh Andersen (2017) found that self-efficacy can be linked positively to organizational performance.

Studies also showed that a positive relationship exists between employee development and organizational performance. Torraco and Swanson (1995), as stated by Jacobs and Washington (2003), argued that an organization which offers an array of learning opportunities enable their employees to perform better on their job, which in turn enables the organization as a whole to perform better.

*H*<sub>3</sub>: Goal efficacy positively affects perceived organizational performance.

### 4. Goal rationale and organizational performance

Lee et. al (1991) and Kwan and Lee (2013) defined goal rationale as having to do with how clear the foundation or the basis of the goals are. A study of Erez and Earley (1987) pointed out the two studies explaining different styles of assigning goals to employees. Erez and Arad (1986), as cited by Erez and Earley (1987), used a "tell style" of assigned goals (authoritarian and without rationale) for which individuals were given or were assigned goals without further information. Latham and Steele (1983, as cited by Erez and Earley, 1987), on the other hand, made use of a "tell and sell" style (supportive, with rationale), in which verbal encouragement regarding the significance and importance of the assigned goals was employed in assigning the goals. Goal acceptance was found higher in Latham and Steele's study than Erez and Earley's study (Erez and Earlery, 1987). Managers and

supervisors who can explain the logic underlying the assigned goals can help employees understand clearly the reason why a specific goal is assigned to them, thus, enabling employees to develop effective action plans and strategies in accomplishing their goals (Lee et al., 1991).

 $H_4$ : Goal rationale positively affects perceived organizational performance.

## 5. Use of goal setting in performance appraisals and organizational performance

The use of goal setting in performance appraisals signifies the extent to which goal setting has been manifested in the processes of performance appraisals (Lee et al., 1991; and Kwan and Lee, 2013). The Harvard University Executive Session on Public Sector Performance Management, as cited by Latham, Borgogni, and Petitta (2008), stated that an effective performance management system is one that includes planned goals that are challenging and factual. Goal setting theory supports the importance of the goal setting in performance appraisals. According to said theory, the importance of clarifying goals arises from the complexity, multiplicity, and conflicting nature of public organizations (Walker, Damanpour and Devece, 2010). Performance management and target setting are key instruments to solve this problem of goal ambiguity. Performance management system is found to be significant for organizational effectiveness

because it provides the appropriate structure for control and delegation of tasks, and ensures implementation of goals and achievement of targets (Walker, Damanpour and Devece, 2010). The approaches in performance management system, according to Walker, Damanpour and Devece (2010) exhibit a strategic planning model which details clear targets, detailed plans, and monitoring of targets. A number of studies (Boyne and Chen, 2007; Hendrick, 2003; Hyndman, and Eden 2001; Walker and Boyne, 2006, as mentioned by Walker, Damanpour and Devece, 2010) point out the positive effect of strategic planning, target setting, and performance management system in the improvement of the performance of public organizations.

 $H_5$ : Use of goal setting in performance appraisal positively affects perceived organizational performance.

### 6. Tangible rewards and organizational performance

Tangible rewards refer to whether employees expect goal achievement to bring about job security, increase in pay, and promotion (Lee et al., 1991 and Kwan and Lee, 2013). Job security strengthens the commitment of employees to the organization. Organizations that provide job security to their employees effects positively the performance of the organization (Vlachos, 2008). Pfeffer (1998) and Ahmad and Schroeder (2003), as cited by Vlachos (2008), discovered that organizational commitment mediates the relationship between job security and organizational

performance. Fey et al. (2000, as mentioned by Vlachos, 2008) also observed the indirect relationship of HR practices and performance. According to the study of foreign firms operating in Russia, job security was seen as the most significant predictor of HR practices that affects organizational performance (Vlachos, 2008). On another note, Delery and Doty (1996, as cited by Vlachos, 2008), in their study about the US banking sector, found a direct positive effect between employment security and firm performance. James (2012), as cited by Lucky et al. (2013), said that job security has an important effect on the overall team performance as well as on the performance of the organization. The study showed that the more the employee benefit from high job security, the more the employee is likely to perform effectively, which is suggested in the overall performance of the organization.

On another hand, studies on public sector rewards for merit, including salary and pensions, can be both an advantage and disadvantage for productivity. Kim (2010) pointed out that previous literature argue that monetary rewards, which is defined by Aguinis (2013) as those which include base pay, cost-of-living adjustments, short- and long- term objectives, supported by a merit pay system, may not be a significant motivator for improving performance. Contrary to this, Aguinis, et al. (2013) stated that based on a number of previous studies, monetary rewards are among the most effective factor that affects employee motivation and performance. Other scholars such as Newland (1972) and Davis and West (1985), as mentioned by Kim (2010), also claimed

that pay continues to be the most depended upon economic incentive for work. Particularly, the use of performance-related pay as one of the means of improving performance in the public sector proved the importance of compensation in increasing organizational productivity.

Another characteristic of tangible rewards is promotion. Nigro, Nigro, and Kellough (2012) stated that beliefs regarding career opportunities are important contributors to public sector competitiveness. Organizations which offer can career development and advancement to its employee make it possible for employees to perform their jobs well, thus, ultimately leading to positive effects on organizational performance (Li, 2000; and Roback, 1989, as cited by Kim, 2010). Similarly, employees with higher levels of promotion opportunities tend to perform better compared to employees with low promotion opportunities because of their motivation to advance to higher positions (Doeringer and Piore, 1985). As such, the degree to which employees are provided advancement opportunities can be an important determining factor of organizational performance.

*H*<sub>6</sub>: Tangible rewards positively affects perceived organizational performance.

### 7. Goal conflict and organizational performance

Goal conflict, according to Lee et al. (1991) and Kwan and Lee (2013), assesses consistency of goals with each other and with personal goals and interests. Locke et al. (1994), as referred to by

Cheng et al. (2007), mentioned that goal conflict results from either the differences between the level of difficulty of the goal assigned by others and personal goals, or the presence of multiple goals within a specific task, often referred to as "within-task goal conflict." Within-task goal conflict occurs because individuals have limited capacity and time to accomplish multiple goals but they are expected to focus on the assigned goals at the same time. The study of Slocum et al. (2002, as mentioned by Cheng et al., 2007) of sales representatives shows that the perceived conflict between the new assigned goals and their regular tasks were negatively related to their commitment to the outcome of the new assigned task, which in effect lowered their overall sales performance. Cheng et al. (2007) also found out in their study that there is a negative relationship between overall goal conflict and performance.

 $H_7$ : Goal conflict negatively affects perceived organizational performance.

## 8. Organizational facilitation of goal achievement and organizational performance

Organizational facilitation of goal achievement takes into consideration whether the organization provides support and resources to achieve the goal (Lee et al., 1991 and Kwan and Lee, 2013). Likewise, the policies of the organization must not interfere with the attainment of goals as strict rules and regulations may

prevent the effective implementation of strategies (Lee et al., 2013).

An organization perceived as being concerned with the welfare of their employees characterizes organizational support. Organizational support theory states that perceived organizational support directs one to a felt obligation to assist the organization in reaching its objectives (Eisenberger et al., 2001). Perceived organizational support also leads one in participating in extra-role behaviors like helping other employees, for example (Eisenberger et al., 2001). A study (Eisenberger et al., 2001) found that post office employees' felt obligation to their organization facilitated a positive relationship between perceived organizational support and behavior such as assisting their supervisors and coworkers. This behavior would help the organization and other employees in accomplishing tasks, thus, leading to greater productivity. A recent study of Popa (2015) on perceived organizational support and organizational performance found that while employees who feel an emotional connection with their organization are more dedicated to their job, such attitude appears in response to how the employees perceive the organization's attitude towards them. Employees will try to respect and accomplish organizational goals if they feel more appreciated, respected, and rewarded by their organization for their work. Moreover, employees who believe that the organization appreciates their contributions and concerns about their well-being and comfort are also more willing to take risks on behalf of the

organization expecting that the organization will recognize their commitment to the organization (Popa, 2015).

In addition to organization support, resources also characterizes organizational facilitation. Resources pertain to the provision of additional equipment, people, time, or money to facilitate the accomplishment of organizational goals (Lee et al., 1991). Public organizations rely on resources to carry out their goals and implement policies and programs (Lee and Whitford, 2012). The theory on the resources-based view of the firm discusses the manner in which different resources affect organizational performance. Lee and Whitford (2012) made use of said theory to assess the impacts of organizational resources, such as administrative, human, financial, physical, political, and reputation resources, on the effectiveness of agencies in the United States Federal Government. The study shows that some types of resources (like administrative, personnel, financial, and political) positively affects the effectiveness of agencies, while the rest have negative impacts.

 $H_8$ : Organizational facilitation of goal achievement positively affects perceived organizational performance.

## 9. Dysfunctional effect of goals and organizational performance

Dysfunctional effect of goals describes the potential negative effects of having goals (Kwan and Lee, 2013). The dysfunctional effect of goals has to do with the penalizing aspects of goal setting, which includes non-supportive supervisor or top management or the uses of goal to punish people than to facilitate performance (Lee et al., 2013). Although goal setting studies have consistently established that setting specific and challenging goals can drive performance, many of these studies ignored the systematic harm and side effects associated with goal setting. Ordóñez et al. (2009) said that as a motivational tool, goal setting can also encourage unethical behavior. The authors argued that one of the few studies (Schweitzer et al., 2004, as cited by Ordóñez et al., 2009) that looked at the direct relationship between goal setting and cheating found that employees were more likely to misrepresent the level of their performance when they have specific and challenging goals compared to when they did not, specifically in cases when the employees' actual performance level fell short of reaching goals. Lenient oversight, financial incentives for meeting performance targets, and organizational culture with a weak commitment to ethics are some factors that facilitate the relationship between goal setting and cheating (Ordóñez et al., 2009). Another dysfunctional effect of goal is that it creates a culture of competition. Mitchell and Silver (1990), as cited by Ordóñez et al., (2009), argued that goals may promote competition

rather than cooperation which will ultimately lower the performance of the organization. In terms of the effect of punishment on performance, Sims Jr. (1980) noted that higher levels of punishment tended to follow low levels of performance.

*H*<sub>9</sub>: Dysfunctional effect of goals negatively affects perceived organizational performance.

#### 10. Goal clarity and organizational performance

Goal clarity refers to how specific and understandable the goals are and also describes how goals are prioritized (Lee et al., 1991; and Kwan and Lee, 2013). Goal setting theory of Latham (2004), as mentioned by Verbeeten (2008), assumes that there is a direct relation between specific and measurable goals and performance, saying that if one knows their particular target, he or she will be motivated to put forth additional effort, consequently increasing performance. Cleary communicating to employees what is expected of them in terms of performance and results through goal setting is important. Xavier (2002) suggested that clarifying the expectations and the responsibilities and functions of employees by way of clearly communicating and proving regular feedback will help improve employee effectiveness. Relatedly, the results of the study of Teo and Low (2016) showed that although all the participants of the study articulated the various goals of the organization, 80% of them cannot interpret or express them in the same manner.

Specific goals allow members of the organization to know what to achieve for and allow them to determine their own performance. Locke and Latham (2002), as stated by Lunenburg (2011), exclaimed that specific goals make it easier to attain desirable organizational outcomes. As suggested by Smith et al. (1990), the setting of specific, challenging goals is positively related to performance at the macro level. Results of their study found strong support relating specific and challenging goals and performance.

Goal prioritization can also be described by goal clarity. A number of studies found a positive effect of goal prioritization and organizational performance. For example, Staniok (2017) examined the effects of goal prioritization of managers and commitment of employees on organizational performance by analyzing the survey of principals and teachers in secondary education and historical data on school performance. The results of the study showed that the principal's goal prioritization is positively related to high school performance, thereby concluding that it is imperative for public managers to strengthen not only on designing the goals but also in prioritizing them. Jung (2011) also mentioned that the existence of more goals without any hierarchical arrangements, especially at the organizational level, makes it more challenging to decide which goals should be prioritized. He further argued that in organizations which have more goals, the accomplishment of one goal gets in the way of attaining other goals. Moreover, organizational goal ambiguity becomes higher when

there is the absence of clearness in determining priorities among many goals. Chun and Rainey (2005) argued the same, stating that goal ambiguity related negatively to effectiveness.

 $H_{10}$ : Goal clarity positively affects perceived organizational performance.

### **Quality Performance Management System**

Literatures have established a number of factors contributing to increase in organizational performance, one of which is by institutionalizing a performance management system in the organization (Hyndman and Eden, 2011; Lawler, 2003; Aguinis, 2005; Verbeeten, 2008; and Noe et al., 2017). Conflicting goals exist in organizations due to the fact that organizations are composed of diverse groups of people who have varying opinions about suitable organizational objectives. This conflict often causes difficulties managing and integrating the activities of the organization and its members, impairing organizational efficiency and effectiveness (Chun and Rainey, 2005). Performance management system is one of the key mechanisms identified to solve this conflict as it provides the suitable structures for the enabling proper delegation of tasks and control mechanisms, and for guaranteeing that goals are implemented and targets are achieved. These were found to be essential for organizational effectiveness (Damanpour et al., 2010). The US Office of Personnel Management (2008), as cited by Ayers (2015), identified several dimensions which characterize a quality performance management system.

Among these are credible measures, award expectancy, feedback, and employee involvement.

An effective performance management system provides an organization with a valid, reliable, and controllable measures appropriate for the workforce. Rogers and Hunter (1991), as stated by Ayers (2015), the use of credible measures increases goal alignment and lets organizations focus on results. Credible measures in performance management system denote the degree to which the performance plans contain appropriate measures, such as quantity, efficiency, timeliness, cost-effectiveness, and customer perspective (OPM, 2008, as mentioned by Ayers, 2015).

Expectancy theory, meanwhile, argues that the link between performance and awards increases motivation (Porter and Lawler, 1968). An effective performance management system is one that links appraisal outcomes and performance ratings, wherein awards is proportional to contributions to performance. Ayers (2015) defined award expectancy as the extent to which employees are rewarded based on how well they perform their assigned tasks.

Studies show that feedback, particularly with regard to performance, increases productivity and motivation of employees (Kim and Hamner, 1976; Harackiewicz, 1979; Pritchard et al., 1988; and Perry and Porter, 1982). According to these studies, feedback, especially if frequent, allows for effective management of performance problems, leading to more efficient achievement of intended goals. Feedback as it relates to performance management system means the establishment of a performance feedback process which ensures the existence of a dialogue

between managers, supervisors, and employees in a given performance period (Ayers, 2015).

Lastly, involvement of employees in the process of performance management system, whether in the making of performance standards or the design of the performance appraisal program, is found to increase employee commitment and engagement toward their organization (Roberts, 2003; and Ayers, 2015). Given these, quality performance management system, which considers the various goal setting and planning attributes in its establishment and implementation, can have a stronger impact on the performance of the organization.

H<sub>II</sub>: A quality performance management system, with credible measures, award expectancy, feedback, and employee involvement as dimensions, moderates the relationship between goal setting and planning factors and perceived organizational performance.

As mentioned earlier, organizational performance can be measured based on a number of dimensions. Previous research has shown that organizational performance, particularly in public organizations, is multifaceted because public organizations are required to address a range of goals. Thus, public organizations are expected to focus its attention on multiple dimensions of performance. Boyne (2002) categorized the dimensions of performance into outputs, efficiency, effectiveness, responsiveness, and democratic outcomes. Outputs refer to the quantity and quality services. Efficiency is concerned with the cost per unit of output.

Effectiveness, on the other hand, refers to the accomplishment of the objectives set. Responsiveness concerns the measures of the satisfaction of both the customers and employees of the organization. Democratic outcomes refer to accountability, probity, and participation. Relatedly, Van de Ven and Ferry (1980), as stated in Verbeeten (2008), had developed a well-established instrument which incorporated the measures of organizational performance. Said instrument was designed specifically to measure performance in the public sector. The instrument included the following performance dimensions: (1) quantity or amount of worked produced; (2) quality or accuracy of worked produced; (3) number of innovations or new ideas by the unit; (4) reputation of "work excellence"; (5) attainment of unit production or service goals; (6) efficiency of unit operations; and (7) morale of unit personnel.

Along these lines, the relationship of various goal setting and planning attributes earlier identified and organizational performance may possibly vary depending on dimensions or measure of organizational performance.

 $H_{12}$ : The importance of the goal setting and planning attributes varies depending on the dimensions or measures of organizational performance

#### Research Model

In relation to the stated review of related literature, the present study would like to examine whether: (1) goal setting and planning attributes, such as supervisor support, goal stress, goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effect of goals, and goal clarity, has direct relationship with perceived organizational performance; and (2) quality performance management system, with credible measures, award expectancy, feedback, and employee involvement, moderates the relationship between the goal setting and panning attributes and perceived organizational performance. Furthermore, the research model also adds the possible influence of the control variables such as sex, age, marital status, educational attainment, position, place of assignment, and years in service on the goal setting and planning attributes and perceived organizational performance.

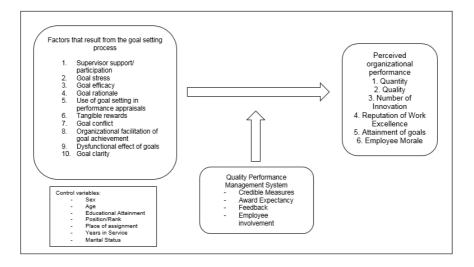


Figure 1. Research Model

# **Chapter III: Methodology**

This chapter explains the methods used in this study. It describes how the samples are selected and collected, and explains the instruments used to measure the variables identified in this study. It also includes a description of the methods used for analysis and testing the hypothesis.

#### **Sample Selection**

The data from this study were collected from the National Economic and Development Authority (NEDA), the socioeconomic and development planning body of the Philippine government. Among NEDA's mandates is to formulate coordinated and fully integrated social and economic policies, plans, and programs to achieve the Filipinos vision of a strongly-rooted, comfortable, and secured life for all.

At present, the Philippines is considered as one of the fastest-growing economies in Asia. In order for the growth of the Philippine government to remain on target, the current administration has laid out reforms to ensure sustained and inclusive growth. One of these reforms is the "Build Build Build" program that aims to provide more opportunities to the country in terms of investments, job creation, connectivity, and dependable delivery of public services to promote growth centers outside of Metro Manila. Another worth highlighting is the shift to Annual Cash-Based Appropriations to ensure effective utilization of government

resources. In addition, the implementation of the Tax Reform Law simplified personal income taxes, expanded value added tax base, adjusting oil and automobile excise taxes on sugar-sweetened beverages to fund more infrastructure and social services. On top of these reforms, there are also important factors and challenges that need to be considered to lay down the foundation of inclusive growth. A high-trust and resilient society, a globally competitive knowledge economy, like the ASEAN Economic Integration and the possible shift to federalism.

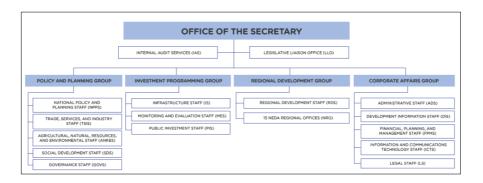
In the midst of these reforms and challenges is NEDA. As the highest socioeconomic and development planning body of the Philippine government highly regarded as the authority in macroeconomic forecasting and policy analysis and research, it needs to rise to the occasion by providing sound policy advise and formulating medium-term to long-term plans while ensuring quality and timely delivery of services demanded by its client. Given this, it is imperative for NEDA to strengthen its organizational set-up, internal businesses and management processes, human resource development, and other related measures to become more prepared of achieving what is expected from it.

The current structure of NEDA can be traced back 83 years ago when the National Economic Council (NEC) was created through the Commonwealth Act No. 2 in 1935. Through the years, NEDA was further reorganized and restructured to enable it to take on greater leadership roles in policy analyses and coordination, planning, programming and evaluation. The NEDA, as it is today, is constituted by two bodies: the NEDA Board and the NEDA Secretariat. The NEDA Board is where NEDA's power and functions reside. It is the Philippines' highest

developing planning and policy coordinating body which is composed of the President of the Republic of the Philippines as the chairperson, the Director-General of NEDA and Socioeconomic Planning Secretary as the vice-chairperson, and other members from the President's cabinet, central bank representative, and the head of the Mindanao Development Authority. There are also seven Cabinet-level interagency committees assisting the NEDA Board in the performance of its functions. The NEDA Secretariat, on the other hand, is headed by the Secretary of Socioeconomic Planning and is responsible in setting the country's strategic medium- and long-term development direction, coordinating the country's budget programs following the strategic development direction, monitoring and evaluating socioeconomic development plans, programs, and project implementation, and providing technical and administrative secretariat services to the NEDA Board, its committees, Regional Development Councils, and other interagency bodies and other clients including local government units. This study will only involve participants from the NEDA Secretariat and will not include the seven agencies attached to the NEDA Secretariat for purposes of administrative supervision. From here on, the NEDA will refer to the NEDA Secretariat.

The organizational structure of the NEDA (**Figure 2**) shows the division of various delivery units of NEDA is functional/sectoral in nature. As of July 31, 2019, the total filled position of NEDA from both the Central and fifteen (15) Regional Offices is 1,290. Of these, 615 were from the Central Office and 675 were from the Regional Offices.

Figure 2. NEDA Secretariat Organizational Structure



This study employed a stratified random sampling to facilitate the representation of subgroups within the population. Similar to the grouping in the NEDA's organizational structure which is functional/sectoral in nature, the stratum identified were: (1) Corporate Affairs Group; (2) Investment Programming Group; (3) Policy and Planning Group; (4) Regional Development Group; and (5) Office of the Secretary. The categorization of positions, on the other hand, were established based on the function and salary grade levels of the employees. The identified categories were: (1) managerial/supervisory (Salary Grades 22 to 31); (2) technical (Salary Grades 10 to 21); and (3) administrative (Salary Grades 3 to 9).

In accordance with the recommended sample size of N > 104 + m, where m is the number independent variables, for testing individual predictors (assuming a medium-sized relationship) and for testing multiple correlation (N > 50 + 8m) (Green, 1991, as cited by VanVoorhis and Morgan, 2008), and in consideration of the actual number of filled positions in the organization, the researcher primarily set the target of 550 respondents from the Central Office and 15 Regional Offices. Out of the

550 questionnaires distributed, 72% or 395 accomplished questionnaires were returned to the researcher. Of these, 29 were removed because of incomplete answers in the respondent's profile section and/or incomplete answers in the actual survey questions.

Overall, the final sample of the study consisted of 366 respondents. The majority of the respondents were female (67.49%) and were 25 to 34 years of age (42.35%). In relation to position, the majority (62.3%) were technical employees, followed by managerial/supervisory (19.95%), and administrative (17.76%). In terms of place of assignment or functional grouping, almost 54% were from the Regional Development Group. 40.98% of the respondents had served NEDA below five (5) years. **Table** 1 presents the details of the profile of the respondents.

Table 1. Respondent's Profile

	Variable	Frequency	Percentage
Sex	Female	247	67.49
	Male	119	32.51
Age	Under 25 years of age	38	10.38
0	25 to 34 years of age	155	42.35
	35 to 44 years of age	71	19.4
	45-54 years of age	53	14.48
	55 years of age or older	49	13.39
Marital	Single	189	51.64
Status	Married	167	45.63
	Widowed	10	2.73
Highest	High School	3	0.82
Degree or	Technical/vocational	7	1.91
level of	training		
school	Bachelor's degree	201	54.92
completed	Master's degree	136	37.16

	Variable	Frequency	
\ <u></u>	Professional degree	15	4.1
	Doctorate degree	4	1.09
Position and	Managerial/Supervisory	73	19.95
Salary Grade	(SG 22 to 31)		
•	Technical (SG 10 to 21)	228	62.3
	Administrative (SG 3 to	65	17.76
	9)		
Office	Corporate Affairs Group	83	22.68
33	Investment Programming	36	9.84
	Group		
	Policy and Planning	40	10.93
	Group		
	Regional Development	195	53.28
	Group		
	Office of the Secretary	12	3.28
Years in	Under 5 years	150	40.98
Service at the	5-10 years	92	25.14
National	11-15 years	25	6.83
<b>Economic</b>	16-20 years	18	4.92
and	21-25 years	28	7.65
Development	26 years or longer	53	14.48
Authority	-		
	TOTAL	366	100

#### **Data Collection Procedure**

The researcher collected the data from August 9, 2019 to September 6, 2019 by circulating a hard copy of the survey questionnaires (Annex 1) to the offices in the NEDA Central Office and sending a copy of the survey questionnaires using an online survey form to distribute them to 15 NEDA Regional Offices across the country. Prior to the distribution of the questionnaire, the researcher conducted a pilot test of the questionnaire

to ensure that each of the questions are clear and comprehensible. The researcher also secured an approval from the Secretary of Socioeconomic Planning before distributing the survey forms. The accomplished survey questionnaires were returned by the respondents to the researcher's office of assignment, while others answered the online survey form or returned the scanned copy of accomplished questionnaires through electronic mail.

#### Measures

The researcher adopted an integrated survey questionnaire based on the literature review. For the independent variables, the survey questionnaire originally developed by Locke and Latham (1984) and further analyzed by Lee et al (1991) and Kwan and Lee (2013) was used to measure the employee's perception on the various goal setting and planning attributes namely supervisor support, goal stress, goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effect of goals, and goal clarity. The perception of organizational performance, on the other hand, was measured using a well-established instrument by Van de Ven and Ferry (1980) that had been also used by Dunk and Lysons (1991), Williams et al. (1990), and Verbeeten (2008) in their respective study. Said measurement asked the respondents to compare the performance of their organization to other comparable organizations. Further, measure of a quality performance management system was adopted from the questionnaire developed by Ayers (2015) to assess the respondent's perception on the components of a quality performance management system, such as credible measures, award expectancy, feedback, and employee involvement. The responses for all items were documented using a 5-point Likert Scale, with 1 representing strong disagreement to 5 representing strong agreement, for items 1 to 30, and 1 representing "far below average" to 5 representing "far above average". **Table 2** summarizes the description and questions for all the variables used in this study.

**Table 2. Definition and Measures of Variables** 

,	VARIABLE	DEFINITION		QUESTIONS
Ind	ependent Varia	bles: Goal setting and pla	nniı	
1.	Supervisor support (SS)	Deals with the support offered by the supervisor to facilitate goal accomplishment	1.	My organization lets me participate in the setting of my goals
		and the involvement allowed by the supervisor in goal setting and implementation	2.	My organization lets me have some say in deciding how I will go about implementing my goals
2.	Goal stress	Deals with the stress placed on an employee to attain a goal	3.	I feel that I must accomplish my goals My organization always emphasizes that I need to accomplish my goals
3.	Goal efficacy	Deals with whether one feels capable of achieving the goal	<ul><li>5.</li><li>6.</li></ul>	I usually feel that I have a suitable or effective action plan or plans for reaching my goals  I feel that my job training was good enough so that I am capable of reaching my job goals

	VARIABLE	DEFINITION		QUESTIONS
4.	Goal rationale	Deals with the logic	7.	Leaders in my
		underlying a goal		organization
				inform me how the
				goals are set
			8.	I get regular
				feedback indicating
				how I am
				performing in
				relation to my
_	** C 1	D . 111 1		goals
5.	$\boldsymbol{c}$	Degree to which goal	9.	My organization
	setting in	setting has been		makes sure that at
	performance appraisals	reflected in various aspects of performance		the end of the performance
	appraisais	appraisals		appraisal interview
		арргагзагз		I have a specific
				goal or goals to
				achieve in the
				future
6.	Tangible	Deals with whether	10.	If I reach my goals,
	rewards	employees can		it increases my
		anticipate specific		chances for a pay
		rewards by reaching the		raise
		goal	11.	If I reach my goals,
				it increases my
				chances for a
_	G 1 61	4 1 1	10	promotion
7.	Goal conflict	Assesses whether goals	12.	I have too many
		are consistent with each other and with one's		goals on this job (I
		own goals and interests	12	am too overloaded) I am given
		own goals and interests	13.	incompatible or
				conflicting goals
				by different people
				(or even by the
				same person)
8.	Organizational	Captures whether the	14.	Work teams in my
	facilitation of	organization provides		organization work
	goal	support so that the goals		together to attain
	achievement	are achievable		goals
			15.	My organization
				provide sufficient
				resources (e.g.,
<u></u>				time, money,

VARIABLE	DEFINITION	QUESTIONS
		equipment,
		coworkers) to
		make goal setting
		work
9. Dysfunctional	Possible negative	16. My job goals serve
effects of	consequences of having	to limit rather than
goals	goals	raise my
		performance
		17. The goals I have
		on this job lead me
		to ignore other
		important aspects
10.00.1.1.1	D 0 1 1 1	of my job
10. Goal clarity	Refers to how clear and	18. I understand
	specific the goals are	exactly what I am
		supposed to do on
		my job
		19. I have specific, clear goals to aim
		for on my job
		20. If I have more than
		one goal to
		accomplish, I know
		which ones are
		most important and
		which are least
		important
	oles: Quality performance	management system
1. Credible	The appraisal program	1. My organization
Measures	requires that elements	has performance
	and standards	measures that
	(performance	indicate the
	expectations) include	quantity of
	credible measures of	products or
	performance that are	services provided
	observable, measurable, and/or demonstrable	2. My organization
	and/or demonstrable	has performance measures that
		indicate the
		customer
		satisfaction
3. Award	Awards depend on how	3. Awards in my
expectancy	well employees perform	organization
Chrotune	their job	depend on how
L	J	T

4. Feedback Extent to which the performance management system establishes a performance feedback process that ensures dialogue between supervisors and employees  5. Employee Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance  Performance  1 am actually involved in the development of my performance plan.  Well employees between supervisors and employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas by the unit		VARIABLE	DEFINITION	QUESTIONS			
4. Feedback  Extent to which the performance management system establishes a performance feedback process that ensures dialogue between supervisors and employees  5. Employee involvement employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance  Performance  How would you compare the performance of you organizational performance  the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 3. The number of innovations or new ideas				well employees			
performance management system establishes a performance feedback process that ensures dialogue between supervisors and employees  5. Employee Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance  Perceived organizational performance  The wwould you compare the performance of you organizational performance  The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas				perform their job			
establishes a performance feedback process that ensures dialogue between supervisors and employees  5. Employee Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance Perceived organizational performance Performance  How would you compare the performance of you organizational performance  How would you comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas	4.	Feedback	performance	between			
performance feedback process that ensures dialogue between supervisors and employees  5. Employee Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance Perceived organizational performance organizational performance Performance  How would you compare the performance of you organization to other comparable organizations organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
process that ensures dialogue between supervisors and employees  5. Employee involvement Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance Perceived organizational performance  How would you compare the performance of you organizational performance  How would you comparable organizations o other comparable organizations o the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
dialogue between supervisors and employees  5. Employee involvement  Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance Perceived organizational performance  How would you compare the performance of you organizational performance  How would you comparable organizations o other comparable organizations o the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
supervisors and employees  5. Employee Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance organizational performance  How would you compare the performance organizations organization to other comparable organizations or the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas				worthwhile			
5. Employee involvement Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance Perceived organizational performance  How would you compare the performance of you organization to other comparable organizations o the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
5. Employee involvement Extent to which employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance organizational performance  How would you compare the performance organizations organization to other comparable organizations or the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produced 2. The quality or accuracy of work produced 3. The number of innovations or new ideas			•				
involvement employees are involved in the development of their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance of your organizational performance  How would you compare the performance of your organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produced 2. The quality or accuracy of work produced 3. The number of innovations or new ideas	_	F1		T 11 1 1			
in the development of their performance appraisal plans    Dependent Variable: Perceived organizational performance	٥.						
their performance appraisal plans  Dependent Variable: Perceived organizational performance  Perceived organizational performance  How would you compare the performance of you organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produced 2. The quality or accuracy of work produced 3. The number of innovations or new ideas		invoivement	1 2				
Perceived organizational performance  Perceived organizational performance of your organizational performance  How would you compare the performance of your organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produced 2. The quality or accuracy of work produced 3. The number of innovations or new ideas				my periormance pian.			
Perceived organizational performance Perceived organizational performance How would you compare the performance of you organizational performance the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
Perceived organizational performance  How would you compare the performance of you organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas	Dar	n and and Maniahl		al manfanna ana a			
organizational performance organization to other comparable organizations of the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
performance the following items (1=far below average; 5=far above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas							
above average):  1. The quantity or amount of work produce 2. The quality or accuracy of work produce 3. The number of innovations or new ideas	_		· ·				
<ol> <li>The quantity or amount of work produce</li> <li>The quality or accuracy of work produce</li> <li>The number of innovations or new ideas</li> </ol>	per	TOTTIALICE		i below average, 3-rai			
<ul><li>2. The quality or accuracy of work produce</li><li>3. The number of innovations or new ideas</li></ul>				mount of work produced			
3. The number of innovations or new ideas			•				
by the unit		by the unit					
4. Reputation of work excellence							
5. Attainment of unit production or service goals				it production or service			
6. Morale of unit personnel			6. Morale of unit pe	rsonnel			

# **Data Analysis**

Quantitative data gathered through survey were encoded in Microsoft Excel and imported to Stata version 13 software for analysis. The researcher generated descriptive statistics data for all variables, with information such as mean, standard deviation, and minimum and maximum responses. Correlation matrix was also generated to measure the strength

and direction of the linear relationship between variables. Multiple regression was used to predict the value of the dependent variable based on the value of the independent variables. Multiple regression allows for the determination of the overall fit of the model and the relative contribution of each of the independent variable to the total variance explained. Further, analysis of different variables using interaction terms was utilized to see the relationship of the identified moderating variables with the independent variables.

## **Chapter IV: Results**

#### **Summary Statistics**

**Table 3** presents the mean, standard deviation, and the minimum and maximum response value for all the variables in the dataset. For questions on supervisory support, respondents generally agreed that the organization lets them participate in the setting of their goals, and includes them in the deciding how they would implement their goals. Regarding goal stress, most respondents strongly agreed that they feel the need to accomplish their goals, and generally agreed that the organization always emphasizes the need to accomplish their goals. In relation to goal efficacy, respondents generally agreed that they usually feel that they have effective action plans to reach their goals, and that the job training provided to them by the organization was good enough to effectively reach their job goals. For the items concerning goal rationale, respondents generally agreed that the leaders in the organization inform them how the goals are set, and get regular feedback on how they are performing in relation to their goals. For questions pertaining to the use of goal setting in performance appraisals, the respondents generally agreed the organization ensures that at the end of performance appraisal interview, employees have specified goals to achieve in the future. Respondents, concerning questions on tangible rewards, also generally agreed reaching their goals increases their chances of getting a pay raise and getting promoted. As regards to goal conflict, respondents were generally neutral when asked if they have too many goals in their job, while they generally agreed that they are given compatible and nonconflicting goals. For questions on organizational facilitation of goal achievement, respondents generally agreed that work teams in the organization work together to attain goals, and that the organization provides sufficient resources, such as time, money, equipment, and human resources, to make goal setting work. Regarding the dysfunctional effects of goals, respondents generally agree that their job goals serve to raise rather than limit their performance, and that the goals in the organization are used more to help employees do their job well than to punish them. Lastly, when it comes to goal clarity, respondents also generally agreed that they understand what they are supposed to in their job, that they have specific and clear goals that they aim for in their job, and that they know how to prioritize the goals in their job.

Relative to the dimensions of a quality performance management system, respondents generally agreed that the organization has performance measures that indicate the quantity of products or the service provided, and customer satisfaction. Respondents, also, generally agreed that awards in the organization depend on how well the employees perform their job. Respondents likewise generally agreed that discussions between supervisors and employees about performance are worthwhile. Respondents generally agreed that they are actually involved in the development of their performance plans.

With regard to the perception of the performance of the organization, compared to other similar organizations, the respondents mostly agreed that the organization produces above average quantity and quality of work; that the organization is far above average in terms of reputation of work excellence; and that the organization is above average

related to number of new innovations, attainment of service goals, and morale of its personnel.

**Table 3. Summary Statistics per Question** 

	Varia	ble	Mean	Std. Dev.	Min	Max
Ind	lependent Varia	bles: Goal Setting	and Plan		ributes	
1.	Supervisor	SS1	3.825	0.771	1	5
	Support (SS)	SS2	3.730	0.755	1	5
2.	Goal Stress	GS1	4.281	0.682	1	5
	(GS)	GS2	3.858	0.819	1	5
3.	Goal Efficacy	GE1	3.746	0.724	1	5
	(GE)	GE2	3.724	0.789	1	5
4.	Goal	GR1	3.566	0.876	1	5
	Rationale (GR)	GR2	3.410	0.916	1	5
5.	Use of Goal Setting in Performance Appraisal (GSinPA)	GSinPA	3.478	0.929	1	5
6.	Tangible	TR1	3.104	1.018	1	5
	Rewards (TR)	TR2	3.423	0.900	1	5
7.	Goal Conflict	GC1	2.710	0.881	1	5
	(GC)	GC2	3.183	0.969	1	5
8.	Organizationa	OF1	3.877	0.768	1	5
	l Facilitation of Goal Achievement (OF)	OF2	3.557	0.892	1	5
9.	Dysfunctional Dysfunctional	DE1	3.249	0.892	1	5
	Effect of Goals (DE)	DE2	3.601	0.927	1	5
10.	Goal Clarity	GC11	4.003	0.749	1	5
	(GCl)	GC12	4.000	0.694	2	5
		GC13	4.107	0.643	2	5
Mo	derating Variab	les: Quality Perfo	rmance N	<b>Ianagem</b>	ent Sys	stem
1.	Credible	CM1	3.951	0.742	1	5
	Measures (CM)	CM2	3.874	0.752	1	5

	Varia	ble	Mean	Std. Dev.	Min	Max
2.	Award	AE	3.363	0.920	1	5
	Expectancy (AE)					
3.	Feedback	Feedback	3.732	0.891	1	5
4.	Employee	EmpInv	3.757	0.827	1	5
	Involvement (EmpInv)					
De	pendent Variable	es: Perceived Orga	anization	al Perfor	mance	
1.	Quantity or amount of worked produced (QuanWork)	QuanWork	3.978	0.721	2	5
2.	Quality or accuracy of work produced (QualWork)	QualWork	3.937	0.690	2	5
3.	Number of Innovations (NumInnov)	NumInnov	3.467	0.829	1	5
4.	Reputation of Work Excellence (WorkExcel)	WorkExcellenc e	4.117	0.733	1	5
5.	Attainment of Goals (AttainGoals)	AttainGoals	3.801	0.683	1	5
6.	Morale of personnel (EmpMorale)	EmpMorale	3.281	0.919	1	5

Goal stress had the highest mean response on the goal setting and planning attributes, followed by goal clarity, supervisor support, goal efficacy, and organizational facilitation of goal achievement. Credible measures had the highest mean response on the dimensions of quality performance management system. The high mean response may imply that the respondents mostly agree that these attributes are present in the

organization. **Table 4** details the means response of the factors identified in the study.

**Table 4. Summary Statistics (Mean Response per Factor)** 

Variable	Mean	Std. Dev.	Min	Max
Goal Setting an	d Planning	g Attributes		
1. SS	3.777	0.721	1	5
2. GS	4.070	0.636	1	5
3. GE	3.735	0.645	1	5
4. GR	3.488	0.808	1	5
5. GSinPA	3.478	0.929	1	5
6. TR	3.264	0.879	1	5
7. GC	2.947	0.780	1	5
8. OF	3.717	0.694	2	5
9. DE	3.425	0.806	1	5
10. GCl	4.036	0.586	2	5
Quality Perform	mance Mai	nagement Sys	stem	
1. CM	3.913	0.638	2	5
2. AE	3.363	0.920	1	5
3. Feedback	3.732	0.891	1	5
4. EmpInv	3.757	0.827	1	5
Perceived Orga	nizational	Performanc	e	
	3.763	0.583	2	5

#### **Correlation Matrix**

Correlation is a measure of the strength and direction of association that exists among variables. **Table 5** presents the correlations of the observed variables using Pearson's correlation coefficients analysis. The results suggested that there is a relatively strong linear correlation between the variables, with correlations significant at 0.05.

Table 5. Correlation Matrix

Variables	1	2	3	4	2	9	7	8	6	10	11	12	13	14	15	16	17	18	19	20	21 2	22 2	23 2	24 2	25 26	6 27
1 Sex		1				L	L											Г		H						
2 Age	0.00	0 1																								
3 MaritalStat	0.03	3 0.54*	1																							
4 Education	-0.08	8 0.22*	0.22* 0.17*	1																						
5 Position	-0.0	-0.02 -0.30* -0.13* -0.46*	-0.13*	-0.46*	1																					
6 Office	-0.03		0.04 0.15* 0.16*	0.16*	-0.04																					
7 Years	0.0	0.00 0.87* 0.46* 0.17* -0.28*	0.46*	0.17*	-0.28*	-0.01	1																			
SS SS	0.03	3 0.08		0.06 0.12* -0.13*	-0.13*	0.11*	\$0.08	-1																		
SD 6	-0.03	3 -0.03	-0.02	0.03	-0.04	0.12*	10.07	7 0.51*	1																	
10 GE	0.02	2 0.10	0.01	0.06	-0.12	-0.08	8 0.11*	* 0.52*	0.51*	1																
11 GR	0.01	1 0.11*	0.08	0.00	-0.03	0.07	0.09		0.59* 0.55* 0.63*	0.63*	1															
12 GSinPA	0.02	2 0.09	0.00	-0.04	90'0	0.14*	₹ 0.07		0.45*	0.51* 0.45* 0.50*	0.72*	1														
13 TR	-0.07	7 -0.09	-0.02	-0.08	0.10	90'0	6-0.13*		0.23*	0.33* 0.23* 0.23*	0.27*	0.35*	1													
14 GC	-0.06		0.09 -0.01	0.10	-0.02	0.19*	4 0.07		0.11*	0.22* 0.11* 0.14*		0.10 0.14*	90.0	1												
15 OF	0.01	1 0.09	0.11*	-0.02	-0.02	0.01	1 0.08		0.43*	0.50* 0.43* 0.47* 0.60*	*09.0	0.51*	0.28*	0.17*	1											
16 DE	-0.07		0.05 0.02 0.17* -0.15*	0.17*	-0.15*	0.17*	80.08		0.27*	0.31* 0.27* 0.18* 0.18* 0.22*	0.18*		0.14* 0.49*		0.30*	1										
17 GCI	-0.01	1 0.18*		0.08 0.14* -0.13*	-0.13*	0.03	3 0.16*		0.40*	0.42* 0.40* 0.51*	0.41*	0.40*	0.18*	0.15*	0.42*	0.25*	-									
18 CM	-0.0	*61.0 0.19* 0.19*	0.19*	0.00	0.00	0.15	0.15* 0.15*		0.34*	0.33*	0.47*	0.46*	0.40* 0.34* 0.33* 0.47* 0.46* 0.21* 0.17* 0.47* 0.19* 0.41*	0.17*	0.47*	0.19*	0.41*	1								
19 AE	-0.01	1 0.14*	0.14*	0.02	0.05	0.13*	0.14*	* 0.36*	0.23*	0.30*	0.38*		0.41* 0.32* 0.16*	0.16*	0.47*	0.11*	0.24*	*65.0	1							
20 Feedback	-0.01	1 0.03	-0.02	-0.07	-0.03	0.03	3 0.05		0.37*	0.38*	0.50*	0.48*	0.42* 0.37* 0.38* 0.50* 0.48* 0.32* 0.15* 0.49*	0.15*	*67.0	0.27*	0.27* 0.30* 0.40*		0.43*	1						
21 Emplnv	0.00	0.09	0.03	0.02	-0.05	90.0	0.10		0.43*	0.50* 0.43* 0.43*	0.56*	0.57*		0.30* 0.18* 0.51*	0.51*	0.26*	0.26* 0.44* 0.40*		0.41* 0	0.57*	1					
22 QuanWork	0.05	5 0.02		0.04 0.14* -0.22	-0.22*	-0.02	00.0- 2	0.20*	0.30*	0.20* 0.30* 0.22* 0.18*	0.18*	0.15*	0.10		-0.10 0.21* 0.13* 0.26* 0.20* 0.12* 0.26*	0.13*	0.26*	0.20*	.12* 0		0.24*	1				
23 QualWork	0.07	7 -0.00	0.01		0.05 -0.13*	0.05	2 -0.00	0.32*	0.36*	0.32* 0.36* 0.30* 0.23*	0.23*	0.22*	0.09	0.05	0.36*	0.23*	0.23* 0.33* 0.25*		0.13* 0.30*		0.31* 0.67*	*/9	1			
24 NumInnov	-0.03	3 0.07	0.05	0.07	-0.01	0.03	3 0.07		0.32*	0.29* 0.32* 0.36* 0.37* 0.37*	0.37*		0.17*		0.05 0.44* 0.18* 0.29* 0.30* 0.29* 0.34*	0.18*	0.29*	0.30*	20* 0		0.32* 0.46*	t6* 0.5	0.52*	1		
25 WorkExcel	0.06	0.00	0.05		0.10 -0.17*	0.03		-0.03 0.22* 0.28* 0.21* 0.23* 0.19*	0.28*	0.21*	0.23*	0.19*	0.10		0.27*	0.19*	0.29*	0.24* (	.12* 0	.29* 0.	-0.02 0.27* 0.19* 0.29* 0.24* 0.12* 0.29* 0.28* 0.59* 0.64* 0.48*	59* 0.6	54* 0.4	*8†	1	
26 AttainGoals	s 0.09	9 0.01	0.05	0.01	-0.05	0.01	1 -0.02		0.46*	0.41*	0.36*	0.33* 0.46* 0.41* 0.36* 0.41* 0.22*	0.22*	0.05	0.05 0.44* 0.19* 0.41* 0.32* 0.28* 0.39*	0.19*	0.41*	0.32* (	28* 0	39* 0.	0.42* 0.52* 0.65* 0.59*	52* 0.6	55* 0.5		0.61*	1
27 EmpMorale	0.00 a	0.07	90.0	-0.03	0.08	0.16*	\$0.08		0.38*	0.41*	0.45*	0.49*	0.35*	0.26*	0.51*	0.28*	0.26*	).44* (	47* 0	39* 0.	0.42* 0.38* 0.41* 0.45* 0.49* 0.35* 0.26* 0.51* 0.28* 0.26* 0.44* 0.42* 0.39* 0.45* 0.21* 0.37* 0.53*	21* 0.3	37* 0.5	53* 0.3	0.33* 0.5	*05.0
NOTE: *n / 0.05	0/1	50																								

NOTE: p < 0.05

#### **Regression Analysis**

Multiple regression was conducted to learn more about the relationship between the predictor variables regarding goal setting and planning (supervisor support, goal stress, goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effect of goals, and goal clarity) and the perceived organizational performance. **Table 6** shows the results of the regression. Model 1 shows the results of the regression when only the independent variables were included in the regression equation, while Model 2 displays the results when both independent and control variables are put in the equation.

Model 1 R-square value, which is the overall measure of the strength of association, indicated that 36% of the variance in the perceived organizational performance can be predicted from the independent variables. The value of Adjusted R-square, on the other hand, was 0.35. The results of the statistical analysis demonstrated that there were significant positive relationships between: goal stress and perceived organizational performance ( $\beta$  = 0.194; p-value = 0.000); organizational facilitation of goal achievement and perceived organizational performance ( $\beta$  = 0.265; p-value = 0.000); dysfunctional effects of goals and perceived organizational performance ( $\beta$  = 0.112; p-value = 0.031); and goal clarity and perceived organizational performance ( $\beta$  = 0.109; p-value = 0.037).

For Model 2, after taking into account the effects of control variables, the R-squared and Adjusted R-squared increased to 0.417 and 0.359, respectively. The results showed that there were significant positive

relationships between goal stress and perceived organizational performance ( $\beta$  = 0.192; p-value = 0.001); use of goal setting in performance appraisals and perceived organizational performance ( $\beta$  = 0.139; p-value = 0.034); organizational facilitation of goal achievement and perceived organizational performance ( $\beta$  = 0.283; p-value = 0.000); and goal clarity and perceived organizational performance ( $\beta$  = 0.108; p-value = 0.044). There was also no significant relationship between the control variables and the dependent variable.

Table 6. Results of Multiple Regression (Dependent, Independent, and Control Variables)

Dependent variable:	Mod	lel 1	Mod	lel 2		
Perceived Organizational	P>t	β	P>t	β		
Performance	Γ/ι	þ	Γ > ι	Р		
Independent Variables:						
Supervisor support	0.558	0.345	0.812	0.014		
Goal stress	0.000*	0.194	0.001*	0.192		
Goal efficacy	0.051	0.118	0.074	0.113		
Goal rationale	0.164	-0.104	0.118	-0.119		
Use of goal setting in	0.060	0.101		0.440		
performance appraisals	0.060	0.121	0.034*	0.139		
Tangible rewards	0.448	0.035	0.221	0.060		
Goal conflict	0.064	-0.091	0.068	-0.093		
Organizational						
facilitation of goal	0.000*	0.265	0.000*	0.283		
achievement						
Dysfunctional effects of	0.031*	0.112	0.005	0.005		
goals	0.051	0.112	0.085	0.095		
Goal clarity	0.037*	0.109	0.044*	0.108		
Control Variables:						
Sex						
Male			0.209	0.55		
Age						
25 to 34 years of age			0.105	0.128		
35 to 44 years of age			0.670	0.035		

Post   β   Post   Post	Dependent variable:	Mod	lel 1	Mod	lel 2
A5-54 years of age   0.537   -0.63	Perceived Organizational	P>t	β	P>t	β
S5 years of age or older			<u>'</u>		<u> </u>
Marital Status					
Marital Status         0.361         0.050           Widowed         0.404         -0.393           Education         0.684         0.032           Technical/ vocational training         0.684         0.032           Bachelor's degree         0.991         0.002           Master's degree         0.970         0.010           Professional degree         0.843         0.022           Doctorate degree         0.585         0.038           Position         0.690         0.025           Technical (SG 10 to 21)         0.690         0.025           Administrative (SG 3 to 9)         0.318         -0.068           Office/ Place of assignment         0.742         -0.017           Investment Programming Group         0.488         0.037           Policy and Planning Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         0.553         0.032           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016	•			0.839	0.023
Widowed         0.404         -0.393           Education         0.684         0.032           Technical/ vocational training         0.684         0.032           Bachelor's degree         0.991         0.002           Master's degree         0.970         0.010           Professional degree         0.843         0.022           Doctorate degree         0.585         0.038           Position         0.690         0.025           Administrative (SG 3 to 9)         0.318         -0.068           Office/ Place of assignment         0.318         -0.068           Investment Programming Group         0.488         0.037           Policy and Planning Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         5-10 years         0.553         0.032           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016           26 years or longer         0.3644         0.4167					
Education   Technical/ vocational training   0.684   0.032     Bachelor's degree   0.991   0.002     Master's degree   0.970   0.010     Professional degree   0.843   0.022     Doctorate degree   0.585   0.038     Position	Married			0.361	0.050
Technical/ vocational training         0.684         0.032           Bachelor's degree         0.991         0.002           Master's degree         0.970         0.010           Professional degree         0.843         0.022           Doctorate degree         0.585         0.038           Position         0.690         0.025           Administrative (SG 3 to 9)         0.318         -0.068           Office/ Place of assignment         0.742         -0.017           Investment Programming Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         0.553         0.032           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016           26 years or longer         0.3644         0.4167	Widowed			0.404	-0.393
training  Bachelor's degree  Master's degree  Professional degree  Doctorate degree  Position  Technical (SG 10 to 21)  Administrative (SG 3 to 9)  Office/ Place of assignment  Investment Programming Group  Policy and Planning Group  Regional Development Group  Office of the Secretary  Years in Service  5-10 years 11-15 years 16-20 years 26 years or longer  Rasional Development  Doctorate degree  0.991 0.002  0.043 0.022  0.690 0.025  0.318 0.318 -0.068  0.318 -0.068  0.318 -0.068  0.318 -0.068  0.318 -0.068  0.318 -0.068  0.318 -0.068  0.318 -0.068  0.316 0.337  0.303 0.303 0.303 0.303 0.304 0.316 0.053 0.067  R-squared 0.3644 0.4167	Education				
Bachelor's degree   0.991   0.002	Technical/vocational			0.684	0.032
Master's degree         0.970         0.010           Professional degree         0.843         0.022           Doctorate degree         0.585         0.038           Position         0.690         0.025           Administrative (SG 3 to 9)         0.318         -0.068           Office/ Place of assignment         0.742         -0.017           Investment Programming Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         0.510         0.053           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016           26 years or longer         0.3644         0.4167	training			0.064	0.032
Professional degree         0.843         0.022           Doctorate degree         0.585         0.038           Position         0.690         0.025           Technical (SG 10 to 21)         0.318         -0.068           Administrative (SG 3 to 9)         0.318         -0.068           Office/ Place of assignment         0.742         -0.017           Investment Programming Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         0.553         0.032           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016           26 years or longer         0.3644         0.4167	Č				0.002
Doctorate degree   Position   Technical (SG 10 to 21)   0.690   0.025				0.970	0.010
Position   Technical (SG 10 to 21)   0.690   0.025					
Technical (SG 10 to 21)				0.585	0.038
21)   0.690   0.025					
Administrative (SG 3 to 9)  Office/ Place of assignment  Investment Programming Group  Policy and Planning Group  Regional Development Group  Office of the Secretary  Years in Service  5-10 years  16-20 years  26 years or longer  Redinistrative (SG 3 to 9)  0.318 -0.068  0.742 -0.017  0.742 -0.017  0.488 0.037  0.500 0.041  0.500 0.041  0.500 0.041  0.501 -0.081  0.553 0.032  0.406 0.049  0.503 0.067  0.503 0.067	· ·			0.690	0.025
to 9)         Office/ Place of assignment       0.518       -0.008         Investment Programming Group       0.742       -0.017         Policy and Planning Group       0.488       0.037         Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167	,			0.070	0.023
to 9)       Office/ Place of assignment         Investment Programming Group       0.742       -0.017         Policy and Planning Group       0.488       0.037         Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.318	-0.068
assignment       0.742       -0.017         Programming Group       0.488       0.037         Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.310	0.000
Investment					
Programming Group         0.742         -0.017           Policy and Planning Group         0.488         0.037           Regional Development Group         0.500         0.041           Office of the Secretary         0.081         -0.081           Years in Service         0.553         0.032           11-15 years         0.316         0.053           16-20 years         0.406         0.049           21-25 years         0.824         -0.016           26 years or longer         0.533         0.067           R-squared         0.3644         0.4167					
Policy and Planning Group       0.488       0.037         Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.742	-0.017
Group       0.488       0.037         Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167					
Regional Development Group       0.500       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167	•			0.488	0.037
Development Group       0.300       0.041         Office of the Secretary       0.081       -0.081         Years in Service       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167					
Office of the Secretary       0.081       -0.081         Years in Service       -0.081       -0.081         5-10 years       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.500	0.041
Secretary         Years in Service         5-10 years       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167					
Years in Service       0.553       0.032         5-10 years       0.316       0.053         11-15 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.081	-0.081
5-10 years       0.553       0.032         11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167					
11-15 years       0.316       0.053         16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167				0.553	0.032
16-20 years       0.406       0.049         21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167	-				
21-25 years       0.824       -0.016         26 years or longer       0.533       0.067         R-squared       0.3644       0.4167	·				
26 years or longer       0.533       0.067         R-squared       0.3644       0.4167					
R-squared 0.3644 0.4167					
			0.3644	5.555	
Aujusteu 17-suumeu	Adjusted R-squared		0.3464		.3587

NOTE: \*Significant at 0.05

Comparison of the two models mentioned showed that with or without the effects of the control variables, such as sex, age, marital status, educational attainment, position, office or place of assignment, and years in service, both goal stress and goal clarity have significant positive relationships with perceived organizational performance.

Interaction terms were added in the regression equation to examine the relationship of the interaction between each of the independent and moderating variables (quality performance management system) with the dependent variable. Results of the statistical analysis showed none of the forty interaction equation (ten independent variables with four moderating variables) was statistically significant, while controlling the effect of the demographic characteristics. **Table 7** shows details of the result.

Table 7. Interaction terms of Goal Setting and Planning Attributes and Quality Performance Management System

Cross-Level Interaction	DV: Pero Org Perf		Cross-Level Interaction	DV: Pero Org Perf	
Interaction	P>t	β	Interaction	P>t	β
1. Supervisor s	support (S	S)	2. Goal stress (	(GS)	
SS x CM	0.447	-0.290	GS x CM	0.822	-0.087
SS x AE	0.169	-0.412	GS x AE	0.363	-0.263
SS x Feedback	0.512	-0.183	GS x	0.472	0.195
			Feedback		
SS x EmpInv	0.968	0.116	GS x EmpInv	0.787	0.074
3. Goal efficac	y (GE)		4. Goal rationa	le (GR)	
GE x CM	0.308	-0.403	GR x CM	0.232	0.428
GE x AE	0.577	0.175	GR x AE	0.285	-0.267
GE x	0.753	0.092	GR x	0.834	0.050
Feedback			Feedback		
GE x EmpInv	0.882	0.045	GR x EmpInv	0.681	0.101
5. Use of goal	setting in		6. Tangible rev	wards (TR	)
performance	e appraisal	S			
(GSinPA)					
GSinPA x CM	0.694	0.138	TR x CM	0.140	-0.488

Cross-Level Interaction	DV: Pero Org Perf		Cross-Level Interaction	DV: Pero Org Perf	
Interaction	P>t	β	Interaction	P>t	β
GSinPA x AE	0.615	-0.114	TR x AE	0.280	-0.262
GSinPA x	0.836	-0.045	TR x	0.072	-0.427
Feedback			Feedback		
GSinPA x	0.878	0.035	TR x EmpInv	0.417	-0.199
EmpInv			_		
7. Goal conflic	et (GC)		8. Organization	nal facilita	ation of
			goal achieve	ement (OF	<i>(</i> )
GC x CM	0.075	-0.677	OF x CM	0.676	0.146
GC x AE	0.311	-0.254	OF x AE	0.366	-0.276
GC x	0.970	-0.010	OF x	0.296	-0.301
Feedback			Feedback		
GC x EmpInv	0.351	0.277	OF x EmpInv	0.993	0.003
9. Dysfunctional effects of goals		10. Goal clarity (GCl)			
(DE)					
DE x CM	0.223	-0.417	GCl x CM	0.387	-0.388
DE x AE	0.651	-0.110	GCl x AE	0.300	-0.392
DE x	0.815	-0.061	GCl x	0.508	0.222
Feedback			Feedback		
DE x EmpInv	0.412	0.218	GCl x EmpInv	0.703	-0.141

NOTE: CM = Credible measures; AE = Award expectancy; and EmpInv = Employee involvement

Multiple regression analysis was also conducted to test the relationship of the predictor variables with each of the dimensions or measures of perceived organizational performance, namely quantity or amount of work produced, quality or accuracy of work produced, number of innovations or new ideas, reputation of work excellence, and morale of personnel, and taking into consideration the effect of the control variables (Model 3). **Table 8** summarizes the details of the statistical results.

Table 8. Results of Multiple Regression for Each Measure of the Dependent Variable

IV: Goal Setting and	DV: Qu	QuanWork	DV: QualWork	alWork	DV: Nu	DV: NumInnov	DV: WorkExcellence	Excellence	DV: Att	DV: AttainGoals	DV: EmpMorale	Morale
Planning Attributes	P	В	P>t	β	P>t	В	P≯t	В	P>t	В	₽>ŧ	β
Supervisor support (SS)	0.599	-0.036	0.148	960.0	0.545	-0.040	0.894	-0.009	0.354	-0.057	0.093	960.0
Goal stress (GS)	0.001*	0.219	0.002*	0.193	0.199	0.080	0.053	0.126	*000.0	0.249	0.282	0.058
Goal efficacy (GE)	0.535	0.044	0.255	0.079	0.028*	0.152	0.406	-0.060	0.045	0.129	0.012*	0.151
Goal rationale (GR)	0.568	-0.049	0.020*	-0.195	0.498	-0.057	0.807	0.021	0.010*	-0.200	0.236	-0.086
Use of goal setting in performance appraisals (GSinPA)	0.878	0.011	0.862	0.013	0.022*	0.165	0.863	0.013	0.001*	0.216	0.002*	0.193
Tangible rewards (TR)	0.392	0.047	0.320	-0.053	0.644	0.025	0.914	900'0	0.285	0.053	*000.0	0.164
Goal conflict (GC)	*000.0	-0.205	0.115	-0.088	0.069	-0.102	0.022*	-0.135	0.320	-0.052	0.024*	0.110
Organizational facilitation of goal achievement (OF)	0.062	0.123	*000.0	0.237	*000.0	0.283	0.037*	0.140	*000.0	0.247	*000.0	0.251
Dysfunctional effects of goals (DE)	0.132	0.094	0.123	0.093	0.244	0.070	0.058	0.120	0.524	0.036	0.533	0.033
Goal clarity (GCI)	0.038*	0.125	*900'0	0.161	0.899	0.007	0.003*	0.183	0.002*	0.172	0.075	-0.091
R-Squared		0.254		0.297		0.299		0.234		0.399		0.473
Adjusted R-Squared		0.180		0.227		0.230		0.157		0.339		0.421
3 *												

NOTE: \*significant at 0.05

The results of the statistical analysis with reference to the perceived quantity or amount of work produced (R-Squared= 0.254; Adjusted R-Squared = 0.180) showed that there were significant positive relationships between goal stress and the perceived quantity of work produced ( $\beta$  = 0.219; p-value = 0.001), and between goal clarity and perceived quantity of work produced ( $\beta$  = 0.125; p-value = 0.038), while there was a significant negative relationship between goal conflict and perceived quantity of work produced ( $\beta$  = -0.205; p-value = 0.000).

The results of the statistical analysis with reference to the perceived quality or accuracy of work produced (R-Squared= 0.297; Adjusted R-Squared = 0.227), on the other hand, showed that there were significant positive relationships between organizational facilitation of goal achievement and the perceived quality of work produced ( $\beta$  = 0.237; p-value = 0.000), between goal stress and the perceived quality of work produced ( $\beta$  = 0.193; p-value = 0.002), and between goal clarity and perceived quantity of work produced ( $\beta$  = 0.161; p-value = 0.006). Results also showed that there is a significant negative relationship between goal rationale and perceived quality of work produced.

Relative to the perception of number of innovations (R-Squared = 0.299; Adjusted R-Squared = 0.230), the results demonstrated significant positive relationships between organizational facilitation of goal achievement and perceived number of innovations ( $\beta$  = 0.283; p-value: 0.000), between use of goal setting in performance appraisals and perceived number of innovations ( $\beta$  = 0.165; p-value = 0.022), and between goal efficacy and perceived number of innovations ( $\beta$  = 0.152; p-value = 0.028).

In the case of reputation of work excellence (R-Squared = 0.234; Adjusted R-Squared = 0.157), results presented significant positive relationships between goal clarity and perceived reputation of work excellence ( $\beta$  = 0.183; p-value = 0.003), and organizational facilitation of goal achievement and perceived reputation of work excellence ( $\beta$  = 0.140; p-value = 0.037), whereas significant negative relationship showed between goal conflict and perceived reputation of work excellence ( $\beta$  = -0.135; p-value = 0.022).

For the perception on attainment of goals (R-Squared = 0.399; Adjusted R-Squared = 0.339), results exhibited significant positive relationships between goal stress and perceived attainment of goals ( $\beta$  = 0.249; p-value = 0.000), between organizational facilitation of goal achievement and perceived attainment of goals ( $\beta$  = 0.247; p-value = 0.000), between use of goal setting in performance appraisals and perceived attainment of goals ( $\beta$  = 0.216; p-value = 0.001), and goal clarity and perceived attainment of goals ( $\beta$  = 0.172; p-value = 0.002), while a significant negative relationship showed between goal rationale and perceived attainment of goals ( $\beta$  = -200); p-value = 0.010.

Last but not least, the results of the statistical analysis with reference to the perceived employee morale presented a significant positive relationships between organizational facilitation of goal achievement and perceived employee morale ( $\beta$  = 251; p-value = 0.000), use of goal setting in performance appraisals and perceived employee morale ( $\beta$  = 193; p-value = 0.002), tangible rewards and perceived employee morale ( $\beta$  = 164; p-value = 0.000), goal efficacy and perceived employee morale ( $\beta$  = 151; p-value = 0.000),

value = 0.012), and goal conflict perceived employee morale ( $\beta$  = 110; p-value = 0.024).

Controlling the possible effects of the demographic characteristics, the findings support a number of the hypothesized relationship described in the earlier chapter. In particular, Model 2 supports the positive association of perceived organizational performance with the use of goal setting in performance appraisal ( $\mathbf{H}_5$ ), organizational facilitation of goal achievement ( $\mathbf{H}_8$ ), and goal clarity ( $\mathbf{H}_{10}$ ). However, it disproves the negative relationship of goal stress ( $\mathbf{H}_2$ ) and perceived organizational performance, presenting a significant positive relationship between the two variables. The rest of the independent variables are not supported by the model ( $\mathbf{H}_1$ ,  $\mathbf{H}_3$ ,  $\mathbf{H}_4$ ,  $\mathbf{H}_6$ ,  $\mathbf{H}_7$ , and  $\mathbf{H}_9$ ). It likewise did not support the moderating effect of the dimensions of quality performance management system with the goal setting and planning attributes and perceived organizational performance ( $\mathbf{H}_{11}$ ). The statistical analysis, however, supports the hypothesis which states that the importance of the goal setting and planning attributes varies depending on the dimensions or measures of organizational performance ( $\mathbf{H}_{12}$ ).

## **Chapter V: Discussion**

This chapter focuses on the main findings earlier identified: (1) the use of goal setting in performance appraisals, organizational facilitation of goal achievement, and goal clarity are positively associated with perceived organizational performance; (2) there is a positive relationship of goal stress with perceived organizational performance; and (3) there are various relationships between the goal setting and planning attributes and each of the described measures of the perception of organizational performance. Theoretical and practical implications of the key findings of this study are integrated in this section. Lastly, the limitations of the study and recommendations for future research are also presented

# (1) The use of goal setting in performance appraisals, organizational facilitation of goal achievement, and goal clarity are positively associated with perceived organizational performance

A number of studies exploring the relationship of goal setting attributes and performance, as mentioned in Chapter 2, have established that these particular attributes are likely to contribute to organizational performance optimistically.

Existing literature discussed that the use of goal setting in performance appraisals, defined as the degree to which goal setting has been reflected in the various aspects of performance appraisals (Lee et al., 1991; and Kwan and Lee, 2013), are key instruments in solving the problem of goal ambiguity especially in public organizations. Inspired by the New

Public Management reform, performance management system, which was brought within the public sector and first applied by governments of Western countries, is found to be significant for organizational effectiveness because it provides for the appropriate structure and control mechanisms to allow goal setting to work in an organization (Walker, Damanpour and Devece, 2010) as it embeds strategic planning and clear goal setting as its elements. In support of the earlier research on this matter, the present study found that use of goal setting in performance appraisals was likely to associate with higher performance among public organizations in the Philippines. This may be the case in the Philippines because of the implementation of the Strategic Performance Management System in 2012 across the bureaucracy as it allows for the vertical alignment, cascading, and consistency of the goals in every level of the organization.

Related to the earlier argument, performance management system also encapsulates the concept of goal clarity, which refers to how specific and understandable the goals are and relates also to how goals are prioritized (Lee et al., 1991; and Kwan and Lee, 2013). In the performance management system, performance contracting takes place. This contracting enables a dialogue between supervisors and employees to communicate the tasks to be assigned, bargain with each other, and agree on the measures, the outputs, targets and deadline by signing a form that will serve as a reference for performance evaluations. This is supported by the argument of Xavier (2002) and Teo and Low (2016) that suggested that clarifying expectations, responsibilities and functions of employees through clear communication and regular feedback will help improve the employee's effectiveness. The study presented that even in the context of a developing

country, the use of goal setting in performance appraisals and goal clarity, as embedded in its performance management system, to increase the effectiveness of public organizations can be observed.

Consistent also with prior studies (Eisenberger et al., 2011; Lee and Whitford, 2012; Lee et al., 2013; Popa, 2015) this study found a strong relationship between organizational facilitation of goal achievement and organizational performance. As earlier defined, organizational facilitation of goal achievement refers to the support, resources, and policies provided by the organization to achieve its goals. In the case of NEDA, a strong relationship between the two variables may imply that the employees were provided enough resources and support by the organization to carry out their responsibilities, thereby improving the overall performance of the organization. As the socioeconomic planning body of the Philippine government, the nature of work of employees involves attendance or participation to various inter-agency committee meetings or provision of technical and secretariat support to several sectoral committee meetings which are usually conducted outside office premises. To assist the members of the organization, for example, NEDA provides all of its employees with laptop computers, in addition to desktop computers, to facilitate efficient delivery of services. Aside from resources and support, the policies of the organization must also not interfere with the attainment of goals as strict rules and regulations may prevent the effective implementation of strategies (Lee et al., 2013).

# (2) Goal stress is positively associated with perceived organizational performance

Pareek (1994) identified three types of conditions prevailing in the organizations that can be responsible for work stress. Among these conditions mentioned was role overload. Role overload refers to the state when the role occupant feels that there too many expectations relative to those from others in his or her role set (Pareek, 1994). A similar concept was presented previously by Westman and Eden (1992). They defined a stressful situation as any situation in which a person perceives the demands made upon on him or her as exceeding his or her ability. Stress can also be defined as the sense of time pressure, anxiety, and worry that is associated with job task. A similar concept of goal stress was defined by Lee et al. (1991) and Kwan and Lee (2013) as stress placed on an employee to attain a goal.

Though most of existing literatures on employee motivation cite a negative relationship between goal stress and organizational performance (Peters et al., 1984; Locke and Latham, 1984 as cited by Lee et al.,1991; Westman and Eden, 1992; Briner and Reynolds, 1999; Fevre et al., 2003; Ongori and Agolla, 2008; Coehlo et al., 2011; and Kakkos and Trivellas, 2011), several studies also pointed out the positive effects of stress on performance (Andrew and Farris, 1972; Latham and Locke, 1975; Basset, 1979; Peters et al., 1984; LePine et al., 2005; Hunter and Thatcher, 2007; and Coelho et al., 2011).

To explain results of this study, it may be noted that the phenomenon of stress is highly individualized in nature. Some people have

a high level of tolerance for stress and appear to thrive in a dynamic environment. While others appear to be almost paralyzed in the face of stressors present in the organization. Along these lines, stress can mean negative or positive stress. Stressors can be characterized as hindrance-oriented (e.g. organizational policies, red tape, role ambiguity) or challenge-oriented stress (e.g. high workload, time pressure, job scope). The former is negatively related to performance, while the latter is positively related (LePine et al., 2005).

One argument worth noting is that stress causes employees to exert more effort in their work. Parkinson's Law suggest that work will expand or contract to fill the amount of time available for it. It reflects the fact that people choose their effort levels to be appropriate to the tasks at hand and the amount of time they have available to accomplish those tasks (Peters et al., 1984). Latham and Locke (1975) argued that persons working under time restrictions would exert a greater rate of effort toward completion of task than would their counterparts who had no such time restrictions. Similarly, Basset (1979) found in his study that persons worked at a faster pace when given more difficult goals and shorter time limits. Results of the study of Peters et al., (1984) showed that time pressure is an effective means of impacting upon the difficulty of the goals held by persons at work, and therefore, their level of performance.

Another argument relating to the positive effects of stress points out to the motivating effects of stress. A study by Hunter and Thatcher (2007) on the relationships between bank brand employees' experienced job stress, organizational commitment, job experience, and performance reported that employees with higher levels of affective commitment and

higher levels of job experience directed the stress that they felt more effectively into sales performance. Stress was found to be more strongly related to performance when employees had more job experience. The attention theory of stress suggests that there should be a positive association between job stress and performance. Easterbrook's (1959), as cited by Hunter and Thatcher (2007), argued that although stress depletes an individual's resources, it surprisingly has the effect of concentrating remaining resources on the task at hand. Role stress also evokes self-regulatory and coping mechanisms. Exposure to stressful situations leads individuals to focus on and to evaluate the threats they face and the various ways of dealing with them. Moreover, internal competition may for example, exert an amount of pressure or stress that at times can act as a motivator (Coehlo et al., 2011).

Following these arguments, it may imply that in the case of NEDA, stressors seemed to be characterized as challenge-oriented stress (e.g. high workload, time pressure, job scope). This may be explained by the nature of the work of the organization. As mentioned earlier, stress causes employees to exert more effort in their work, especially if time restrictions are present. Among the functions and responsibilities of NEDA is to provide policy recommendations on socioeconomic development matters and to appraise projects. These are outputs that can be considered as urgent in nature because requests for these services more often than not come from the Office of the President, Senate of the Philippines, the House of Representatives, Regional Development Councils, and various economic board committees on Infrastructure, Social Development, Trade, Services and Industries, among others. Typically, there is no standard deadline given

to deliver the output. Deadlines are prescribed by the requesting party and there were instances where outputs were needed in less than twenty four hours after requests were made. Another factor that may have contributed to this is the policy of the administration to accelerate the country's annual infrastructure spending. These resulted to the influx of infrastructure-related project proposals that need to be appraised by NEDA before it can be recommended for approval and funding. Despite the presence of these stressors in the organization, quarterly performance reports showed that various delivery units are still meeting their various performance targets.

The motivating effects of stress on performance, however, must be taken with a grain of salt. As several studies have shown, there are only certain levels of stress that a person can handle for it to have a motivating influence. Research studies in the area of situational performance constraints suggests that when time pressures become severe, people may no longer be willing to accept difficult goals, thereby decreasing performance (Peters et al., 1984). Peters et al. (1984) reported for a small to medium association between time pressure and performance although they further highlighted that the relationship would be predicted to be weaker as time pressures further increased, and eventually would become negative as time pressures become severe. Too much pressure may have stress related implications such as employee mental alienation and/or impact on individual performance. Also, destruction of team spirit, dissatisfaction with or absence or even resignation from work can be manifestations of work stress. It may also cause a loss of talent and an increase in training cost due to high turnover (Kakkos and Trivellas, 2011).

# (3) The importance of the goal setting and planning attributes varies depending on the dimensions or measures of organizational performance

Further analysis of the data also shows which goal setting and planning attributes are associated depending on the identified measures of organizational performance. Results show the following: (1) goal stress and goal clarity have positive relationships with perceived quantity of output, while goal conflict is negatively associated; (2) goal stress, organizational facilitation of goal achievement, and goal clarity are positively associated with perceived quality of output, while goal rationale has a negative relationship with it; (3) goal efficacy, use of goal setting in performance appraisal, and organizational facilitation of goal achievement all have positive relationships with the perceived number of innovations; (4) organizational facilitation of goal achievement and goal clarity are positively associated with work excellence, whereas goal conflict is negatively associated; (5) goal stress, use of goal setting in performance appraisal, organizational facilitation of goal achievement, and goal clarity have positive relationships with perceived attainment of goals, while goal rationale is negatively associated; and (6) goal efficacy, use of goal setting performance appraisal, tangible rewards, goal conflict, organizational facilitation of goal achievement all have positive relationships with perceived employee morale. These results may imply that different performance management practices has to be highlighted depending on the outcome prioritized by the organization. As mentioned earlier, public organizational performance is multifaceted because multiple and conflicting goals are present. This suggests that there is no single

method or technique that can be applied in increasing the performance of public organizations. The approach may depend on the mandate of the organization, the capacity and competency of its employees, the availability of resources, and the effectiveness of management and leadership styles, among others. Moreover, the approach may also rest on the identified priorities of the organization. Different management techniques may be applied depending on the dimensions of performance deemed important by the organization in a particular point in time.

Overall, among the goal setting and planning attributes, organizational facilitation of goal achievement are significant in five of the measures of perceived organizational performance such as quality of work, number of innovations reputation of work excellence, attainment of goals, and employee morale. Goal clarity, on the other hand, are significant in four of the measures, namely quantity of work, reputation of work excellence, attainment of goals, and morale of personnel. Goal stress, use of goal setting, and goal conflict are significant in three of the perception of organizational performance measures. Supervisor support and dysfunctional effect of goals, however, are not significant in all of the measures of perceived organizational performance.

**Table 9** presents the summary of hypotheses and results of the main variables in this study.

**Table 9. Summary of Hypotheses and Results** 

Hypotheses	Relationship	Result
Ш.	Supervisor support → Perceived	Not
11]	organizational performance	supported

Hypotheses	Relationship	Result		
$H_2$	Goal stress (-) → Perceived organizational	Not		
112	performance	supported		
$H_3$	Goal efficacy → Perceived organizational	Not		
П3	performance	supported		
$H_4$	Goal rationale → Perceived organizational	Not		
Π4	performance	supported		
	Use of goal setting in performance			
$H_5$	appraisal → Perceived organizational	Supported		
	performance			
$H_6$	Tangible rewards $\rightarrow$ Perceived	Not		
Π6	organizational performance	supported		
$H_7$	Goal conflict $(-) \rightarrow Perceived$	Not		
Π7	organizational performance	supported		
	Organizational facilitation of goal			
$H_8$	achievement → Perceived organizational	Supported		
	performance			
$H_9$	Dysfunctional effect of goals $(-) \rightarrow$	Not		
119	Perceived organizational performance	supported		
$H_{10}$	Goal clarity → Perceived organizational	Cummontad		
1110	performance	Supported		
	Quality performance management system			
$H_{11}$	moderates the relationship between goal	Not		
11[[	setting and planning attributes and	supported		
	perceived organizational performance			
	The importance of the goal setting and			
$H_{12}$	planning attributes varies depending on the	Supported		
1112	dimensions or measures of organizational	Supported		
	performance			

## **Practical Implications**

Findings of the study may improve management practices of public organizations. Managers of public organizations may want to fully incorporate the identified goal setting attributes in management systems, policies and procedures in all levels of the organization.

Managers of public organizations may also want to take advantage of the motivational effects of stress on performance. Managers could actually increase levels of challenge stressors as long as they also used practices that reduced or buffered the associated strains. For example, management should introduce or offer additional welfare and wellness activities and resources for its employees to avoid burnout. Organizational interventions like offering flexible working schedules, stress management trainings for employees (such as classes on relaxation, time management, or assertiveness training or exercise) and managers (improving attitudes towards dealing with work stress), and implementing better work and management systems are some of the approaches that may reduce associated strains of work stress.

As mentioned earlier, depending on the priority task or outcome of the organization, these management tasks must be used differently. For instance, if an organization wants to increase the number of new innovations, managers may want to implement policies or practices like providing more development interventions and trainings (goal efficacy), and resources (organizational facilitation of goal achievement), compared to regular tasks (quantity/quality) that require different sets of performance management interventions. Likewise, if the organization wants to increase morale of its employees, the organization may put in place a rewards system, provide training and development, and additional resources, and reflect goal setting practices in performance appraisal systems.

#### **Summary and Conclusion**

In 2012, the Philippine government put in place performance management systems to strengthen the culture of efficient planning, performance and accountability in the bureaucracy to ensure effective delivery of public service. These performance management systems specifically highlight the critical role of goal-setting and strategic planning in the measurement and enhancement of organizational performance.

The current study aims to explain the influence of the various goal setting and planning attributes on organizational performance, and to know whether a quality performance management system influences this relationship. Given that there are factors that result from the goal setting and planning process, the researcher identified a need to investigate the relationship of these attributes and understand which of these can influence organizational performance better. The research questions addressed in this study are: (1) Is there a relationship between goal setting and planning attributes and perceived organizational performance when controlling for employee characteristics? and (2) Does a quality performance management system moderate the relationship between goal setting and planning attributes and perceived organizational performance when controlling for employee characteristics? Findings of this study aims to improve the internal management processes of government organizations by highlighting which of the goal setting and planning attributes are most significant in attaining certain outcomes

Based on review of literature, the researcher identified the variables for the goal setting and planning attributes (supervisor support, goal stress,

goal efficacy, goal rationale, use of goal setting in performance appraisals, tangible rewards, tangible rewards, goal conflict, organizational facilitation of goal achievement, dysfunctional effects of goals, and goal clarity), quality performance management system (credible measures, award expectancy, feedback, and employee involvement) and organizational performance (quantity, quality, number of innovations, reputation of work excellence, attainment of goals, and employee morale). Control variables identified in the study were sex, age, educational attainment, position, place of assignment, years in service, and marital status.

For this study, the researcher selected the employees of the National Economic and Development Authority (NEDA) from the Central Office and Regional Offices as the unit of analysis. Stratified random sampling was employed to facilitate the representation of subgroups within the population. A survey questionnaire was distributed to 550 respondents, and out of these 395 accomplished forms were returned (72% response rate). 29 questionnaires were removed due to incomplete answers. Overall, the sample of the study consisted of 366 respondents.

An integrated survey questionnaire measured the employee's perception on the various goal setting and planning attributes. For organizational performance, the respondents were asked to compare the performance of their organization to other comparable organizations in terms of quantity and quality of output, innovations, reputation of work excellence, attainment of goals, and employee morale. The perception of the respondents were also assessed regarding the components of a quality performance management system. Stata was used to analyze the results of

the survey questionnaire. Descriptive statistics, correlation, multiple regression, and interaction terms were used to come up with the results.

The major findings of the study is that, on average, goal setting and planning attributes such as the use of goal setting in performance appraisals, organizational facilitation of goal achievement, and goal clarity have positive significant relationships with perceived organizational performance. Contrary to the hypothesized relationship, goal stress also has positive significant relationship with perceived organizational performance. But these results differ depending on the kind of task at hand. Different performance management practices has to be highlighted depending on the outcome prioritized by the organization. Also, there is no significant interaction found between the goal setting attributes and the dimensions of quality performance management system.

The policy implication that can be drawn from the findings is that managers of public organizations may want to fully incorporate the identified goal setting attributes in management systems, policies and procedures in all levels of the organization, like providing additional resources, and mandating goal setting practices like performance contracting, as the results showed that goal clarity and the use of goal setting in performance appraisals are significant. In addition, managers may also want to take advantage of the motivational effects of stress on performance. Managers could actually increase levels of challenge stressors as long as they also used practices that reduced or buffered the associated strains. For example, management should introduce or offer additional welfare and wellness activities and resources for its employees to avoid burnout.

Also, as earlier mentioned, depending on the priority task or outcome of the organization, these management tasks must be used differently. For example, if the organization wants to increase the number of new innovations, managers may want to implement policies or practices like providing more development interventions and trainings (goal efficacy), and resources (organizational facilitation of goal achievement), compared to regular tasks (quantity/quality) that require different sets of performance management interventions. Likewise, if the organization wants to increase morale of its employees, the organization may put in place a rewards system, provide training and development, and resources and reflect goal setting practices in performance appraisal systems.

## Limitations and Recommendations for Future Research

Relative to the findings of the study, the researcher acknowledge some limitations in the methodology applied in this study. First, cross-sectional data was used in this study. Cross-sectional studies are observational in nature which means that this type of research can be used to describe the characteristics that exist in a given population but not to determine the cause-and-effect relationships between different variables. As such, the relationships presented in this study have to be interpreted carefully. Further studies should consider using mixed-methods by complementing quantitative data with qualitative ones to avoid the limitations and to assure the quality of data to be presented.

Another limitations of the present study involved the sampling method used. Despite the intention of achieving better representation among the participants, the study only surveyed employees of one public organization, so the result of this paper cannot fully represent the entire public organizations.

The also acknowledges that there were issues associated with how the variables were measured in this study. An integrated survey questionnaire, taken measures from previous studies, was used to measure the variables. The researcher was not able to include all the measure items initially identified by the previous researchers. For example, only 20 measure items from the originally developed 53-item questionnaire was used by the present study to measure each of the attributes of goal setting and planning. Future research on the similar topic may want to include all items from the original questionnaire to have a more reliable measures.

Moreover, future studies may opt to consider using an objective type of measurement for the organizational performance. It would also be interesting for future research to comparative studies of public organizations in this context. Also, scholars may want to do delve into studying further the motivational effects of goal stress in organizational performance and discuss further the relationship of goal setting attributes and the measures and dimensions of organizational performance.

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## **Annex 1. Survey Questionnaire**

#### Good day!

I am Kristine Amparo B. Carpio, Planning Officer III from the Financial, Planning and Management Staff, National Economic and Development Authority, and a student at the Graduate School of Public Administration (GSPA), Seoul National University, Seoul, South Korea.

This is to humbly request for your participation in a survey to investigate how the factors affecting goal setting and goal alignment within the organization affect organizational performance. The study also aims to assess if the current performance management system is working as an effective tool in ensuring strategic alignment of goals within the organization. Please be assured that any personal information and opinion to be obtained from the questionnaire will be used for academic purposes only and that the individual questionnaires will be kept confidential and anonymous.

For further information, kindly send an e-mail to KBCarpio@neda.gov.ph / kabcarpio@gmail.com

A. Respondent's Profile:

Your participation in the survey will be very much appreciated.

1.	Sex:	nale
2.	Age:	
	☐ Under 25 years of age	$\square$ 25-34 years of age $\square$ 35-44 years of age
	☐ 45-54 years of age	☐ 55 years of age or older
3.	Marital status:	
	☐ Single ☐ Married	☐ Widowed ☐ Others:
4.	Highest degree or level of school	ol completed:
	☐ High school	☐ Technical/ vocational training
	☐ Bachelor's degree	☐ Master's degree
	☐ Professional degree	☐ Doctorate degree
5.	Plantilla position:	Salary Grade:
	Do you have any authorized	d designation/s? If yes, please indicate it below:
6.	Office/Staff:	

7. Years in service at the National Economic and Development Authority:

☐ Under 5 years	☐ 5-10 years	☐ 11-15 years
☐ 16-20 years	☐ 21-25 years	☐ 26 years or longer

#### B. Survey Questionnaire

Instructions: Kindly read each of the following statements carefully and respond by ticking  $\square$  the response box that best reflects your opinion. Please be completely open and honest in your responses.

		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	My organization lets me participate in the setting of my goals					
2.	My organization lets me have some say in deciding how I will go about implementing my goals					
3.	I feel that I must accomplish my goals					
4.	My organization always emphasizes that I need to accomplish my goals					
5.	I usually feel that I have a suitable or effective action plan or plans for reaching my goals					
6.	I feel that my job training was good enough so that I am capable of reaching my job goals					
7.	My organization informs me how the goals are set					
8.	I get regular feedback indicating how I am performing in relation to my goals					
9.	My organization makes sure that at the end of the performance appraisal interview I have a specific goal or goals to achieve in the future					
10.	If I reach my goals, it increases my chances for a pay raise					
11.	If I reach my goals, it increases my chances for a promotion					
12.	I have too many goals on this job (I am too overloaded)					

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
13. I am given incompatible or conflicting goals by different people (or even by the same person)					
14. Work teams in my organization work together to attain goals					
15. My organization provide sufficient resources (e.g., time, money, equipment, coworkers) to make goal setting work					
16. My job goals serve to limit rather than raise my performance					
17. Goals in this organization are used more to punish you than to help you					
do your job well 18. I understand exactly what I am supposed to do on my job					
19. I have specific, clear goals to aim for on my job					
20. If I have more than one goal to accomplish, I know which ones are most important and which are least important					
21. My organization has performance measures that indicate the quantity of products or services provided					
22. My organization has performance measures that indicate the customer satisfaction					
23. Awards in my organization depend on how well employees perform their job					
24. Discussions between supervisors and employees about performance are worthwhile					
25. I am actually involved in the development of my performance plan.					

How would you compare the performance of your organization to other comparable	Far Below Average	Below Average	Average	Above Average	Far Above Average
organizations on the following:  1. Quantity or amount of work produced					
2. Quality or accuracy of work produced					
3. Number of innovations or new ideas					
4. Reputation of work excellence					
5. Attainment of goals					
6. Morale of personnel					

Thank you for your participation!

## **Abstract in Korean**

## 목표 설정 및 계획 속성의 관계

## 필리핀 국가경제개발당국 사례를 중심으로

Kristine Amparo Bunag Carpio 서울대학교 행정대학원 글로벌행정전공

목표 설정과 계획수립 과정에 관련된 여러 특성을 고려하면 본 연구자는 이러한 특성들의 관계를 조사하고 이러한 특성들 중 어떤 것이 더 나은 조직 성과에 영향을 미칠 수 있는지를 이해해야 할 필요성을 확인했다. 또한 성과 관리 시스템이 조직 내 목표의 전략적 일관성을 촉진하고 조직 성과를 개선하는데 효과적인 수단으로서 작용하는지 평가하려고 시도하였다.

본 연구는 성과 평가에서 목표 설정의 이용, 목표 달성의

조직적 촉진, 그리고 목표 명료성은 조직 성과와 상대적으로 높은 연관성을 가지고 있다는 것을 발견 하였다. 게다가 또한 목표 스트레스는 조직 성과와 긍정적 관계가 있다는 것을 나타내었다. 추가적 연구 결과는 조직적 성과의 평가에 따라 목표 설정과 계획 속성의 다른 조합들이 존재하는 것을 제안한다.

주제어: 목표설정, 계획, 조직성과

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