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THE INTERACTION EFFECT OF STRETCH GOALS AND
ORGANISATIONAL SUPPORT ON THE EMPLOYEE
PERFORMANCE IN SELECTED MICROFINANCE INSTITUTIONS
IN KAMPALA UGANDA

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Abstract

Purpose - This study was guided by three main objectives which are; to find out the effect of stretch performance goals on employee performance, to examine the effect of organisational support on employee performance, and finally, to examine the effect of organisational support on the relationship between stretch goals and employee performance

Methodology - The study adopted a cross sectional design employing a quantitative approach. The questionnaires were distributed to a target of 159 respondents and 144 were retrieved. Thus a response rate of 90.6% was realised.

Results- The results indicated that there was an insignificant negative relationship between stretch performance goals and employee performance and a positive relationship between organisational support and employee performance. Finally, the study found there was no moderation effect of organisational support on the relationship between stretch goals and employee performance.

Conclusion- Given the results, Microfinance institutions in Uganda are encouraged to take caution when applying stretch goals, to involve employees when setting performance targets, and to also consider setting stretch goals with a central aim to have the employee learn rather than entirely based on performance.

Keywords: Stretch goals, organisational support, employee performance, micro-finance institutions, targets

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1. INTRODUCTION

Performance targets have been advanced as the foundation of performance management in organisations. As a result, organisations, spend time to set the performance targets which reflect the work plan for a given period of time (Tammemagi, 2012). The targets reflect. These targets help in managing performance since the t quantity and quality of the output, innovation, learning and behavior, among other indicators. When these targets are achieved, the organisational goals of return on investment, profitability, customer rating, among others are equally likely to be realised.

Given the long standing centrality of performance targets, goal setting models have been developed. One of the long standing and widely popularised model is the, the SMART goal model. The model requires goals that are specific, measurable, attainable, and realistic and time bound (Lawlor & Hornyak, 2012). However, a recent model that has attracted attention of both scholars and practitioners, which formed the concept of interest for this study, is the stretch goals model (Stikin, Miller & See, 2017). Stretch performance targets, alternatively termed as stretch goals (Johnston & Clark, 2008) have two key characteristics of setting difficult and novel goals which deviate from the long held wisdom of goal setting (Cunha, Giustiniano, Rego & Clegg, 2016). A stretch goal is thus said to be too difficult that may not be attainable by only employing the current set of resources, in terms of ability, skills, and competences that the employee possesses. The other characteristic is that the goal is novel that an employee needs to devise a new strategy or chart a completely different new path to attain it. For instance, it was considered to be a stretch goal when a turnaround time was revised from the standard of one hour to ten minutes (Sitkin et al., 2011).

The proponents of application of stretch goals argue that it is a radical managerial tool that discourages complacency and at the same time to help unlocking potential which would result into extra-ordinary performance (Cunha et al., 2016). However, evidence from the various studies indicating negative performance impact in a number of organisations, has attracted a debate as to whether such goals should be used for performance purpose or not (Zhang & Jia, 2013; Gary, Yang, Yetton & Sterman, 2017; Welsh, 2014). As a result, some Scholars have advised that, if companies are to employ stretch goals, then they should employ them with an aim of fostering learning and innovation and not as a measure of employees' achievement (Zhang & Jia, 2013). They also feel that stretch goals can be also employed when a company is still in a celebratory mood after an outstanding previous performance, or even when a company has slack resources and is willing to take risks, just in case after employing stretch goals, failure results (Stikin et al., 2017).

To advance their case, the cautious voices have relied on the widely reported negative cases related to the use of stretch performance targets. For instance, Volkswagen recently was engrained in a scandal that had a negative financial and reputation implication. The organisation had to pay with USD 2.1 billion related to application of stretch goals (Cunha et al., 2016). Financial institutions, which formed the institutions of interest for this study have also recorded similar cases. One notable case was recorded in Australia in 2016 (Financial Review 9 September 2016). In an inquiry regarding banks, Bank staff indicated that stretch goals prompted unethical behaviour. The 71% of the 3000 employees who participated in the survey noted that they were being "*pushed and pushed to reach target that are unachievable unless*

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you basically bully (Customers) into saying yes". Out of fear of the consequences the employees said that they had resorted to forcing customers buy products that they don't require. This they said would have a negative impact on the publicity of the banks unless the issue is addressed.

In the Ugandan context, there is scarcity of studies that have assessed the concept of stretch performance goals. A critical review of some employees' daily work especially from the financial institutions shows that indeed these organisations employ performance goals (Kasi, 2018). Financial institutions employees use different platforms that are publically accessible to share their experiences (Batte, 2018). Such phrases as high targets, having to find space in an already concentrated market, and use of extra effort to break through have been common, which strengthens the view that some of these employees operate on stretch goals. On a positive note however, a review of the 10 MFIs performance in the last five years, show that they had positive reviews from the regulators and the customers. No unethical behaviour or undesirable performance was reported. This provides a persuasive reason to argue that, despite employing stretch performance goals, there could be mitigating factors that prompt employees to undertake their tasks without resorting to undesirable behaviours that are widely associated with the said goals (Cunha et al., 2016). This study employed organisational support theory as a lens to assess the possible contribution of the same to mitigate performance and employee performance. Specifically, the study sought to examine the effect of stretch goals on employee performance, the relationship between organisational support and employee performance, and the effect of organisational support on the relationship between stretch goals and employee performance.

2. LITERATURE REVIEW

Employee Performance

Once an employee is hired, they are assigned a role which they are meant to successfully execute in order to qualify for compensation. The said role is in line with organisational objectives. As a result, the performance of all employees in an organisation translates into organisational performance. This has been the case since the early publication on classical management dating back early the 20th century (Taylor, 1911; Bushiri, 2014). An appropriate requires that an employee achieve their set targets and also demonstrate desirable behaviours (Farshadgozar, Abbaspour & Pashootanizadeh, 2016).

Performance measures are many and may be valid from an organisation to another and take either qualitative, quantitative or both. They are comprised of such dimensions as meeting deadlines, meeting the targets, producing quality outputs, responsibility, efficiency, reduced absenteeism, and harmonious work relationships among others (Nzewi, Chiekezie, & Ogbeta, 2015). A good set of measures tries to capture both the employees' contributions and also the means that they employ to achieve the results.

Stretch Goals and Employee Performance

The popular model of goal setting has for a long time advocated for SMART goals. Such goals are expected to be Specific, measurable, attainable, realistic, and time bound (Lawlor &

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Hornyak, 2012). It has for long been argued that a goal that meets the said test is challenging and motivational enough to boost performance, and therefore can be assigned to an employee and act as a yardstick to measure performance. Specific entails defining the goals clearly to avoid ambiguity and therefore shows what exactly is aimed at being accomplished. Measurable, indicates that the goal can be quantified and therefore enables keeping track of the accomplishment. Attainable indicates that the goal should be challenging but still able to be achieved. Realistic indicates that the goal is within reach and the resources to be committed to achieve the goals are also available. Time bound entails the deadline to which the given goal is to be achieved (Effective Goal Setting, 2013).

In what has been viewed as a departure from the popular SMART goal model, the concept of stretch goals emerged in early 1990's and is considered as a radical performance management tool. The concept refers to ambitious goals aimed at achieving extra-ordinary ends. A stretch goal is said to possess two unique characteristics, one being that, at the time of being assigned, the goal is extremely difficult to achieve, given the available resources to the particular employee in such terms as the skills they possess, their previous experience, and the tools at their disposal. On the other hand the goal is novel, and as such, it calls for a different approach, including "thinking out of the box", if one is to achieve it (Stikin et al., 2017).

A phrase, "radical managerial tool that constitutes the today extra-ordinary performance being relegated to tomorrow's normal", has been used in reference to the use of stretch goals (Sitkin et al., 2011). In essence, the stretch goals must be extremely higher than the previous goals assigned. This therefore works on the assumption that every time a goal is assigned to a particular employee, it must be more novel and difficult than the previous one. As such the achievement of the targets would not be possible with the current available resources in terms of competence and skills possessed by the employees; hence the target may not be achieved easily unless a new strategy is adopted.

The concept of stretch goals has however, been loaded with controversies leading to what has been termed as the Stretch goal paradox. In reference to the Stretch goal paradox, organisations have been cautioned against the use of stretch goals and when used the goals should be done when with the facilitative condition (Cunha et al. 2016, Sitkin et al., 2017). This is so since use of stretch goals can have a de-motivating effect, lead to employees adopting unethical behaviour, or encourage dangerous risk taking that can have a strong negative effect to the organisation. Instead, the organisations are advised to use the goals if the aim is to boost learning and innovation, apply them when organisation in question has just recorded an outstanding performance, or if organisations that have slack resources can employ stretch goals.

In the three scenarios where stretch goals are considered Emphasis on the security of an employee who fails to deliver stretch goals is considered central in the scenarios where the cautious voices agree with the application of stretch goals. Learning and innovation objective allows an employee experiment and take risks regardless of an outcome. Where an organisation has just recorded an unprecedented performance, setting more difficult and novel goals is believed to have a motivating, strong self-confidence and hunger for better results effect. The slack resources argument provides an insulation that should in the attempt of achieving stretch goals have a counter effect mainly associated with risk taking by the

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employees, the organisation can still rely on slack resources for survival (Sitkin et al., 2017). Thus slack resources present a fall-back position.

In support of employment of stretch goals for performance management, Rock, Davis, and Jones (2013) seeks to allay fears by arguing that achievement or failure is dependent on the mind-set. These proponents purport that, where an employee or instance has a fixed mind, their acceptance of stretch goals would be negative and this would be a premeditated attitude that they were about to fail. Open mindedness, on the other hand, would be an indication that an employee would be willing to perform better.

The cautious voice appears to have adequate support given the available empirical studies that have examined the relationship between stretch goals and employee performance. There has been consistency in results, showing by majority that, the use of stretch goals as a performance tool has mainly yielded undesirable result. The employees have at many instances demonstrated counterproductive behaviour tendencies such as cheating and manipulation of results when threatened with punitive measures based on failure to achieve the goals. Yahoo was for instance, used as a case to build a case on Stretch Goal Paradox where (Sitkin et al. 2017) which cautions the use of stretch goal. Her Chief executive hired in 2012, had to leave the organisation unceremoniously in 2015 having failed to achieve six out of the eight goals that had aimed at achieving a double digit annual growth. A critical analysis, of the case indicated that the stretch goals set for the CEO were extremely difficult and unachievable.

Another real life case of negative impact of stretch goal relates to the infamous cheating by Volkswagen a German vehicle manufacturing company. It was argued that, the employee under pressure to achieve stretch goals resorted to counterproductive work behaviour underreporting carbon dimensions on 800,000 diesel and gasoline cars in Europe (Cunha et al., 2016: 10). The investigations revealed that the workers would cheat, through manipulating tests for carbon dioxide emissions and fuel economy, where the tires would be filled with more than normal air. The organisation indicated that it was going to suffer USD 2.1 Billion in terms of fine besides the damaged reputation.

Gary et al.'s (2017) study also points to possibility of unethical behaviour. In the study, 134 participants in an experiment aimed to assess the impact of both moderate and stretch goals and performance, the results indicated that only a small section of people who managed to achieve stretched goals. Majority of the participants performed below optimal, and were involved in high risk and dangerous tendencies. Similarly, Welsh (2014) in a study conducted in US, 209 undergraduate students were given a mathematical solving exercise that had moderate and difficult goals that the scholar considered to be stretch goals. The results revealed a strong and significant relationship between high goals and depletion and high goals and unethical behaviour such as cheating.

Similarly, Tammemagis study in 2012 suggests a cautious application of stretch goals. In the study, the participants were assigned at different intervals, a combination of moderate, marginal difficult and more difficult goals that amount to stretch goals. In the moderate and more marginal difficult goals, persistence was observed and performance was satisfactory. However, for the stretch goals, the persistence level decreased and eventually failure to

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achieve the performance target. This study therefore concluded that stretch goals can affect performance at workplaces since they would reduce persistence and eventually lead to failure.

Further evidence suggests that where stretch goals have been successfully achieved, it has been for a gifted few. In an assessment of a goal setting exercise among students of Rotterdam School of Business of Erasmus University, stretching between 2009 and 2016, it was found that stretch goals favoured the already thriving students (Schippers, 2017). In another study, it was found that performance can be improved if there are other factors that mitigate the possible negative impact of stretch goals (Zhang & Jia, 2013). In that study, a total of 351 employees of six banks in China participated. It was found that employees were likely to resort to unethical behaviour when assigned stretch goals. However performance of the employees was substantive when there was perception of organisational justice.

In a more promising result, there was an indication that a mixture of stretch goals with other moderate goals can boost performance (Munson & Consolvo, 2012). This was shown in a practical exercise aimed at encouraging people set physical fitness goals. The 23 participants were encouraged to have a blend of a number of goals and one stretch goal then try to achieve them. The results indicated that the stretch goal acted as a motivating factor that enabled the participants to achieve the other secondary goals. Their attempt to achieve the goal, made the other goals become easy to achieve. The participant would not feel guilty if they failed to achieve the stretch goal, since they would have achieved majority of other goals. Such a result therefore indicates that stretch goals are necessary to boost performance, if failure to achieve a stretch goal is not punished. Similar results were found in the study of Urschel (2015) who conducted a study to examine the relative effects of tiered goals, difficult goals, and moderate goals on performance when individuals earned bonus pay for goal achievement. When the participants were assigned a combination of stretch goals and moderate goals, their performance improved. However when they were assigned stretch goals only, their performance declined.

In conclusion, the available literature indicates the use of stretch goals can affect performance negatively or motivate people into unethical and undesirable behaviour like cheating. In some scenarios such as where there are other mitigating factors the performance rate is improved. It has also been discovered that where an employee is assigned a mixture of stretch goals and other attainable goals the performance is likely to be improved. The results support the theoretical review that calls for caution in application of stretch goals.

Organisational Support and Employee Performance

The concept of organisational support is associated with the organisational support theory which is one of the social exchange theories. The social exchange theories posit that employees and their employers can be viewed to be in a relationship that is governed by exchanges (Rizvi, 2016). An employer for example, expects that the employees they hire are able to fill the gap that they were hired for which may include productivity, efficiency, loyalty to the organisation, defend the organisation and demonstrate commitment and effort in doing the assigned work. On the other hand, the employee comes to the organisation expectant of being compensated for the services they render, be treated with dignity, accorded with development opportunities, and be supported among others. The theories assume that it's is only when there is a balance between the expectations, that the relationship between the two

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can thrive. Where either party feels their expectations are not met, the party reacts in a manner that can affect the other party. For instance, the employee can reduce their commitment to the organisation, resort to counterproductive work behaviour, or leave the organisation among other related reactions.

The organisational support theory holds that; an employee is in a position to equate their organisation to a human being. In essence, one can assess the behaviour of an organisation the same way one can assess a human being. Therefore, one can judge whether the organisation has been supportive or not. However, since an organisation, is not a human being, it is the characteristics or behaviour of its agents that includes the managers, the supervisors and even co-workers that are representative of the organisation. Thus an employee judges the degree of organisational support based on their general assessment of the support they receive from the said parties. Notably, it has been found that the presence of organisational support is associated with positive outcomes including affective organisational commitment which is a high degree of psychological connection, job satisfaction, and job performance (Kurtessis et al., 2015)

Further, Satardien (2015) elaborates that organisational support can be viewed as perception that the organisation cares about employee wellbeing and values their employee contributions, and as demonstrated by rewards, offering socio-emotional support, information exchange, and any other related support. Since such support is extended by the agents of the organisation including managers, the supervisors and co-workers, it can be argued that the employees weigh each of the said agents' contribution in order to judge whether their organisation has been supportive or not.

Given the positive assistance accorded to an employee either through managerial support, supervisor support, or co-worker support, the employee increases their job resources as against job demands. Thus such an employee is likely to perform better than the ones that are deprived the said support. It is for this reason that an argument is advanced that organisational support leads to improved performance.

The Moderating Effect of Organisational Support on the Relationship between Stretch Goals and Employee Performance

A moderating variable refers to either a qualitative factor for instance, sex, race or a related variable, or quantitative factor that may include, salary level, that has an influence on the direction or the strength of a relationship between the independent variable and a dependent variable (Waweru, Kyakuha, & Nsereko, 2017). Thus a direction of relationship between the independent variable and dependent variable and the strength of their relationship can be affected with the introduction of a moderating variable. In this study, organisational support is examined as the moderating factor.

Given the controversies relating to stretch goals, organisational support theory is appealing to addressing the same. The theory is based on the ability of an employee to equate the organisation to a human being and judge whether the organisation is supportive or not. Organisational support makes the employee more comfortable and motivates them to exert more energy to execute their work. Therefore, even in a condition where the employee would

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feel burdened with hard tasks as with the case of stretch goals, an employee who is accorded organisational support is likely to be willing to produce the desired results (Chinomona, Popoola & Imuezerua, 2017). Thus such an employee would register better results than would have been if there was no support given a condition of stretch goals.

One of the possible arguments of the moderating effect of organisational support can be based on the definition of the key variables. Stretch goal by nature, are novel and appear to be extremely difficult and threatening to the employees assigned (Stikin et al., 2017). In essence stretch goals would threaten employee performance. On the other hand, organisational support entails there being a willingness to support an employee by the manager, the supervisor and co-workers (Satardien, 2015). When that is the case, it is possible that the seemingly impossible task becomes lighter since an employee would seek the support of either party. Therefore, one can deduce that organisational support enhances the possibility of better performance than if it was absent and thus becomes a moderating factor.

Further, since such terms radical and “mission impossible” have been used in defining stretch goals (Cunha et al., 2016). In this regard it has been argued that, stretch goals cannot be easily achieved and therefore, the performance of an employee’s assigned the same would be sub-optimal, unless there are other facilitative factors available (Baesu & Bejinaru, 2013). Such supportive environment can be equated to employee support, which would thus become a moderating variable.

Another argument that is a pointer that organisational support can be a moderating variable between the stretch goals and performance, can be based on the finding of some key studies. There are a number of studies that have shown that when faced with stretch goals, many employees have shown the tendency of resorting to unethical behaviour such as cheating and overstating of performance, or the abandonment of the same (Zhang & Jia, 2013; Welsh, 2014). The scholars have therefore, either suggested that the stretch goals need not to be used or either to be used when there is an enabling environment (Stikin et al., 2017). Another suggestion is that stretch goals can be employed if there are mitigating variables. Given the fact that organisational support creates a supportive environment, it can therefore fit into the proposed measure that the various scholars have called for. If such negative outcomes are reduced thanks to organisational support, this variable can be termed to have acted as a moderator.

Further, organisational support falls in the category of social exchange theories, and therefore the concept of reciprocity comes into play (Satardien, 2014). Social exchange theories argue that the parties in an employment relationship mainly the employee and the employer who is represented by their agents such as the managers and supervisor, each assesses the performance of another and responds accordingly. Given the fact that in such a relationship there will be circumstances where one will face an unappealing situation, the overall assessment of the strength of relationship determines the nature of the response of the party that appears to be hurt. Since stretch goals have widely been viewed to attract counterproductive behaviour like cheating (Gary et al., 2017; Cunha et al., 2016) it can be argued that such behaviour can be controlled if there is organisational support. When the goals appear to be too hard as is the case with stretch goals, and the employee is accorded the support, their resolve to work hard in a bid to achieve the goals would be strengthened and

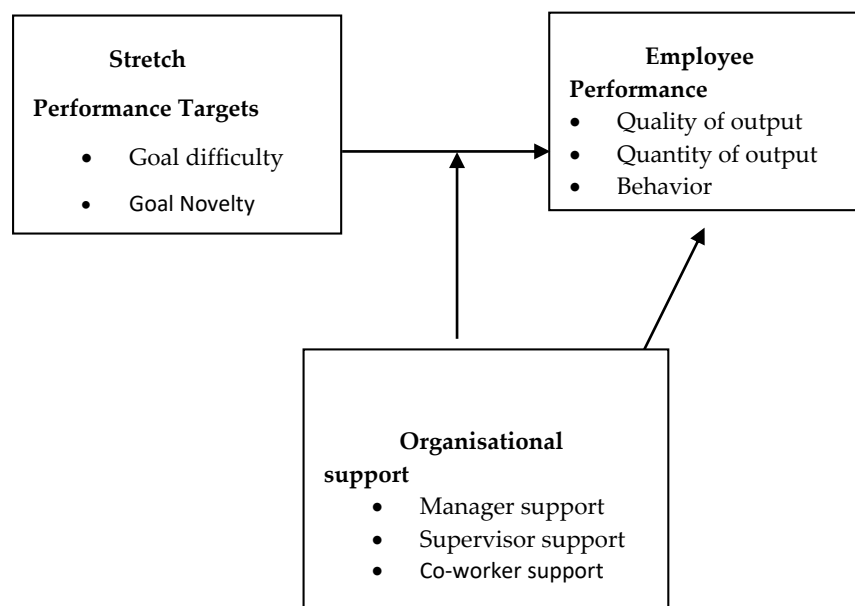
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therefore act as a mitigating factor. In such a case, organisational support would act as a moderating variable.

Another reference that can be used to deduce that organisation support can be considered to be a moderating variable on the relationship between stretch goal and employee performance, can be made from the study conducted by Zhang and Jia in 2013. In that study, 351 participants from six Chinese banks participated. The study was based on the hypothesis that stretch goals disrupt employee and organisational performance and promote unethical behaviour. In another hypothesis relational and informational justice moderated the relationship thus minimising the said disruptions. The results supported the hypothesis. Given the fact that one of the moderating variable, the informational justice, which entails the readiness by the management team which includes managers and supervisors being able to respond to employees' questions and supply information related to matters of the organisation and the various tasks, fall within the definitions of organisational support, it can be deduced that organisational support would be a moderating variable between stretch goals and employee performance.

Further, in developing their model of stretch goal paradox, Cunha et al. (2016) argues that despite a stretch goals appearing to be attractive and promising in regard to organisational performance they are also dangerous since they can create tension and contradiction. That being the case, the scholars argue that the managers who choose to employ stretch goals should be prepared to take measures that can diffuse the probable problem related to stretch goals. Where no such measures have been taken, there has been a reported negative impact which includes cheating and overstating performance (Welsh, 2014). It is possible to deduce therefore, that one of the possible factors that offering employees with support can be one of the measures to reduce the said tension. If that is applied, then organisational support can be said to play the role of a moderating variable.

Figure 1: Conceptual Framework



Source: Gary et al. (2017), Welsh (2014), Stikin et al. (2017), Kurtessis et al. (2015), and Zhang and Jia (2013).

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The conceptual framework suggested that stretch performance targets would negatively affect employee performance. Stretch performance targets are normally above the employees' current abilities. However, when there is enough organisational support, these employees would improve their performance since the impact of stretch performance targets would be reduced.

3. DATA AND METHODOLOGY

This study adopted a cross sectional research design. As such, data was collected once without repeat since the aim was to collect information related to a particular point in time. The population of the study was the 267 employees of 10 selected Microfinance institutions in Kampala Region Uganda. The sample size of the study was 159 and was derived using the Krejcie and Morgan (1970) statistical table. It is this size that formed the targeted respondents. The respondents for the study was done using a stratified random sampling technique. Stratification exercise ensured that the distribution of questionnaires was equitable given the differences in the population size of employees in the different branches that are within the scope of this study. On the other hand random selection was done once each branch was assigned its share of questionnaires. This is a process gave each employee an equal opportunity to be selected for the study. This is an appropriate technique for generalisation of the results.

This study made use of both primary and secondary sources of data. Primary data was obtained from the field and in particular from employees of the selected Micro finance institutions. Secondary data were gathered through documentary and literature from the bank such as Uganda microfinance reports. Documents on stretch performance goals and employee performance at the global level were also reviewed to identify the effect of stretch performance goals on employee performance according to the results of earlier studies conducted in different parts of the world.

Primary data were collected using a self-administered questionnaire that sought to examine specific objectives of the study for respondents to complete in writing. The questionnaire was close ended and the respondents were requested to show their level of agreement with the items anchoring their answers on a 5 Likert scale such that; 5-Strongly Agree, 4-Agree, 3- Neither agree nor Disagree, 2-Disagree and 1-Strongly Disagree. The questionnaire for examining Stretch goals was adopted from the work of Zhang and Jia (2013). Employee performance was measured using a tool adopted from the University of Frazer Valley, a questionnaire that assessed the three aspects of performance, namely; quantity of the output, quality of the output, and the behaviour of the employee (University of Frazer Valley, 2011). Finally, the questionnaire on organisational support was adopted from the work of Eisenberger et al. (1986).

In terms of reliability and validity of research instrument, a reasonable level of reliability and validity is important for any study. This is because when the test is deprived of reliability, there is ambiguity in the meaning of the individual scores. A reliable instrument is one where the respondents answer similar questions many times with consistency, given that conditions remains the same. In order to achieve this, a Cronbach alpha test was conducted and the items that scored 0.7(Nunally, 1978) were retained. As can be seen in the results in table 1 below the

variables were tending towards 0.7 and therefore the instrument can be said to have been reliable.

Table 1: Reliability Analysis

Variable	Number of Questions	Cronbach Alpha
Organisational support	21	0.878
Stretch goals	10	0.875
Employee performance	16	0.804

Validity on the other hand, refers to the ability of a research instrument to measure what it set out to measure. In essence, the research instrument for instance that was used to measure stretch goals should actually measure stretch goals. To ensure that this was achieved, the research instruments were mainly adopted from previous works that had validated the instruments. Further, a retest was conducted where 10 potential respondents were given the questionnaires to assess. The items that were identified as being ambiguous were revised.

In line with ethical consideration, the expected principles such as seeking permission from the institutions in question and from the respondents to participate and requiring them to do so voluntarily were observed. Confidentiality of the respondents was also ensured.

By the time the data collection was completed, 151 questionnaires were retrieved. Upon examination, 144 questionnaires were found to be appropriate for analysis. Therefore, the analysed data represents 90.6% of the targeted sample size. The data was entered into the data editor of Statistical Package for Social Scientists (SPSS V20) software for analysis according to the objectives of the study. Data is presented using descriptive and analytical statistics where frequency tabulations and charts were used to present that data on sample characteristics whereas, for the research objectives item mean analysis, correlations analysis and regression analysis were used.

4. FINDINGS AND DISCUSSIONS

Female respondents were the majority 54.2% of the respondents, while male counterparts contributed the remaining 45.8%. Majority of the respondents were in the age bracket of between 30 and 39, forming 56.3% of the total respondents. The respondents who were between 20 and 29 were 29.9%, while the remaining 13.9% were the respondents who were over 40 years of age. Majority of the respondents had a bachelor's degree as their highest level of education comprising of 72.2%. The respondents whose highest level of education is a master's degree were 14.6% while those that indicated post graduate diploma as their highest level of education were 13.2%. The respondents who had served the organisation between 1 and 2 years and 3 and 4 years constituted an equal percentage of 22.9% for each category. The respondents who had served the organisation between 4 and 6 years were 18.8%. The category of the respondents who had served the organisation between 8 and 10 years were 16.7% while their counterparts that had served for over 10 years accounted for 16%. It was 2.8% of the respondents that had served their organisations for less than one year.

A Bivariate Pearson correlation analysis was conducted to examine the direction and the strength of relationship between a pair of variables in respect to the objectives that aim to examine the relationship between stretch goals and employee performance and organisational

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support and employee performance. In conducting the correlations, the aim was to examine whether there was any relationship between the said pairs of variables, and whether the relationship is negative or positive, strong, moderate or weak. The summary of the results are as shown in table 2 below.

Table 2: Correlations

	1	2	3
Stretch Goals	1	.201*	
Organisational Support	.201*	1	
Employee Performance	-.069	.336**	1

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

Overall, there was an insignificant negative relationship between stretch goals and employee performance ($r=0.066$). Therefore use of stretch goals is associated with an insignificant decline in employee performance.

Therefore, from the correlation findings, it can be concluded that the study did not show a significant relationship between stretch goals and employee performance.

Testing for Moderation

One of the objectives in this study was to examine the moderation of organisational support on the relationship between stretch goals and employee performance. However, conducting a moderation test requires several steps and a subsequent step is dependent on the earlier steps fulfilling a given qualification. Otherwise a failure in a given step leads to an earlier conclusion to be made that the moderation has failed. The following guidelines as advanced by Elite Research LLC (2013) were followed in the process of examining the moderation effect for this study.

The first phase is to conduct a multiple regression analysis where both the independent variables and the moderator variables are regressed against the dependent variable. Both the variables should be significant.

Once the first requirement is satisfied, the next step is the interaction term, which is the multiplication of the means of the independent variable and the moderating variable are added into the previous model

If the above requirements for moderation have been fulfilled, then a modgraph can be plotted.

This was conducted as the first phase of checking for moderation. The summary of the results are as shown in table 3 below.

Table 3: Multiple Regression

Model	Unstandardized Coefficients		Standardized Coefficients	sig.	R Square	Adj R Square
	B	Std. Error	Beta			
(Constant)	1.993	.308		.000	.297	.288
Stretch Goals	-.035	.067	-.038	.600		
Organisational Support	.486	.063	.551	.000		

a. Dependent Variable: Employee Performance

The result indicate that both stretch goals and organisational support explains 29.7% (Adjusted Rsquare=.297) variance in the dependent variable. However, it is only organisational support that was found to be a statistically significant predictor given the P value that was less than 0.05 ($P=0.000 < 0.05$). Stretch goals were not found to be statistically significant as can be seen that the P value was more than 0.05 ($P=0.600 > 0.05$). This result therefore, fails to satisfy the first requirement of moderation that requires that in a multiple regression involving both the independent and the moderating variable, the variables should be statistically predictors. In essence there was no further need to proceed with other steps of assessing moderation.

The Stretch Goals and Employee Performance

The results indicated that there was no significant relationship between the stretch goals dimension of goal difficulty and employee performance. The variable also didn't show a statistical correlation with employee performance. The same dimensions were further found not to be statistically significant predictors of employee performance. On the other hand, goal novelty showed a significant positive correlation with employee performance. The regression results showed goal novelty as a statistically significant predictor of employee performance.

Overall, use of stretch goals were not found to be a statistically significant predictor of employee performance. In essence, use of stretch goals by the Micro finance institutions may be a good principle but the way it is applied cannot be said to boost employee performance.

The results, in particular, relating to goal difficulty are not surprising given the fact that the previous studies have shown that the use of stretch goals have not been positively associated with performance and even to the worst, employees have sometimes been found to use unethical means to achieve the goals especially where failure to achieve them is associated with punitive measures.

The results relating to goal difficulty support both the theoretical and empirical results from previous scholarly works. For instance, the goal setting theory emphasised realistic and attainable goals, a key deficient with stretch goals. The studies of scholars like, Gary et al.

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(2017) observed that it was only a small section of people who managed to achieve stretched goals. Sitkin et al. (2017) on the other hand found that where stretch goals have been applied, the performance has not been good and in some instances, the employees resulted into unethical means of achieving the goals. Similar results of employees resulting into unethical means when faced with stretch goals were observed by the studies of Welsh (2014) and Cunha et al.(2016).

A surprising result that was registered is in regard to goal novelty registering a positive in line with employee performance. The explanation to this may be supported using the available literature which shows that it's possible. A novel goal indicates that the employees have to think more creatively and devise means of achieving the desired results. In essence, regardless of whether in the first place the employees were involved in setting the goals or not, such a goal appears to sanction risk taking, and therefore give the employees the discretion of choosing how to do their job. In so doing, the employees are likely to enjoy carrying on their work and this may explain positive performance. As advanced by Cunha et al.(2016), one of the aims of stretch goals is to discourage complacency. As such when the goal is novel, the employees are very active and therefore the likelihood of improved performance.

Still in regard to the explanation why goal novelty provided a positive result, the employees may take risks, knowing that even the supervisors themselves do not clearly have an idea of how the goals can be achieved. Novel goals are not easily understandable and also no previous means of achieving the same is documented and as such, even the supervisors and managers cannot claim to understand how to achieve them. That being the case, it is unlikely that the supervisors or managers may have a ground to show how better the employee can perform. In such a situation, an employee may create a positive mindset and attempt to use all the means they can think of in a given situation. Rock et al (2013) argued that this can translate into achievement of stretch goals.

As expected, organisation support was found to be a good predictor of organisational performance. As such when the employee received emotional, social and tangible support from the various organisational agents including the managers, supervisors and co-workers, their performance was high. Tangible, psychological and social, from their managers, supervisors and co-workers, the employee find meaning in their work. As such they view their work making sense to them and that their work enables them to be of importance to the community they serve.

Tangible support which may be in form of practically assisting the employee fulfil their task can ensure that the employee does it successfully. Social support may include co-workers, either complementing their effort or filling up the gap when an employee may be under a given challenge. Finally, psychological, such an employee is likely to relate to positive emotions and have vigour in their mind. It may also be a clarification on issues that dominate their mind. Once their mental faculty is revitalised, such an employee is likely to consider their work life as being meaningful. The results support previous scholarly works like once conducted by Rizvi, (2016), (Kurtessis et al.(2015) and Satardien (2015)

Since there was no significant relationship between stretch goals and employee performance, the introduction of organisational support variable could not yield ground to

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further test for moderation. This can be explained in the perspective that, a moderating variable only affects a relationship that has been established.

In this study it was expected that stretch goals would negatively impact on employee performance, and organisational support would act as a buffer for the relationship. This was based on the previous scholarly works which argued that; if an organisation seeks to employ stretch goals, it needs to have other resources or mitigating factors that can boost the performance of employees given the undesirable results that have widely been reported in the previous studies (Zhang & Jia, 2013).

5. CONCLUSION

This study addressed the impact of stretch goals on employee performance in Micro-finance institutions in Uganda. The study was grounded on the previous scholarly works and goal setting theories that largely caution the application of stretch goals especially in relation to performance and rewards. The results did not indicate a significant relationship between stretch goals and employee performance.

Given the results, Ugandan MFIs needs to take caution when applying stretch goals and adhere to the principles as advanced by the previous scholars. It should consider setting stretch goals with a central aim of helping employees learn and boost creativity rather than focussing on using them as a basis for determining performance and rewards.

It is important to genuinely involve employees when setting performance targets. Involving employees in goal setting goals includes weighing the possibility of achieving the goals using the means of achieving the goals would be discussed. This may promote ownership and development of goals that are likely to promote employee performance.

Micro-finance institutions should also consider an option of using a combination of achievable and stretch goals as this may improve employee performance.

The study adopted a cross sectional research design. Such a design is less comprehensive since it only gives snapshot results. This therefore fails to incorporate the possible changes on the views of the respondents over a period of time which would have been captured had a longitudinal design been adopted.

Again, the respondents were mainly the employees in their capacity and did not involve the supervisors rating the performance of the employees. Self-reported performance measures reliability is thus mainly dependent on the employees' honest replies which weaken the study. Given the results and the limitations of the study, the following areas form research opportunities for future studies.

There is an opportunity to conduct a similar study by employing a longitudinal research design. Such a design is more comprehensive since it incorporates the possible changes in the views of the respondents over a period of time.

Finally, there is an opportunity to conduct further studies in other organisations. This gives a more comparative study on the concept in the Ugandan context.

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