

Part 2: How to Set Motivating, Flexible Performance Goals

OBJECTIVE

The high-level result you want to accomplish

GOAL

A broad statement of what will be achieved

PROJECT

A collaborative enterprise designed to reach a goal

TASK

An activity performed to complete a project or achieve a goal

Setting and tracking performance goals has become one of the most complicated aspects of modern performance management. Many organizations have tried to streamline the process—a tall order given that people often can't differentiate between a goal and simply doing the job they were hired to do.

Conversely, when working with a client's team to set goals, an employee stated to me that their goal was to become a vice president of the company. Of course, that's a personal aspiration, not a goal, but together we were able to lay out goals that would put him on that track, as well as contribute to the organization's business objectives.

Goal setting in today's business environment doesn't have to be complex or confusing. Done properly, goal setting can be motivating for employees, fluid enough to change with projects and business objectives, and a useful tool for inspiring employee growth.

Today's Trend: Cascading Goals

Every generation has its buzzwords, and right now we have "cascading" goals that flow from the top of the company down.

That may sound terrific on paper, but in practice it is cumbersome, time consuming and inflexible. Given the necessary involvement by directors, enterprise-level goals are generally addressed once a year and tend to be too broad to be actionable.

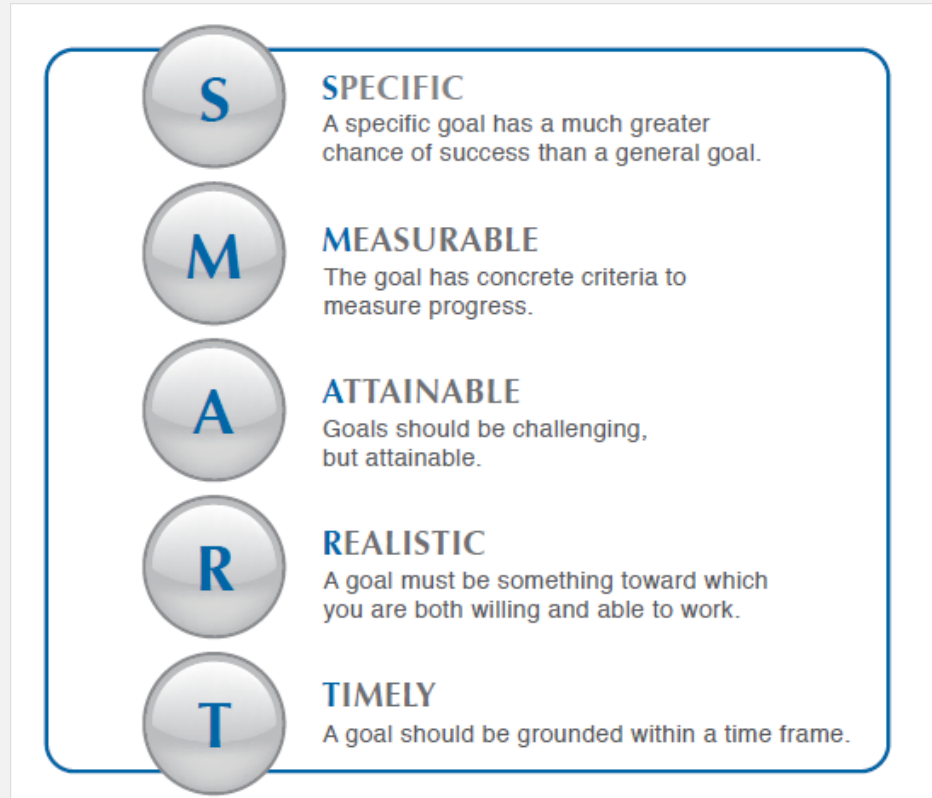


In order to be effective, individual goals must be personally relevant, aligned with each worker's project timelines and flexible enough to shift as roles and objectives change. If it takes months for the C-suite to hand down business goals so they can filter to the rank and file, an individual's goals may be moot before they're entered into the system.

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SMART Goals Will Always Be Smart

While the labels may change, the rules of effective goal setting have not. The SMART mnemonic helps assure that individual goals are:



Goals should **originate with the individual** and link upward to organizational objectives, rather than flow down from the top.

Some have expressed concern that the SMART approach doesn't address the need for goals to be personally meaningful, however, we believe that should be inherent in any goals that are set. In fact, that's why we believe goals should originate with the individual and link upward to organizational objectives, rather than flow down from the top. Giving individuals ownership of this process also helps ensure that goals are appropriately set to reflect an employee's perspective within the company.

Finally, be careful about setting too many goals. After all, too many goals can dilute focus and be difficult to track and measure.

We often recommend that individuals set three goals:

- One tied to an organizational initiative
- One tied to a departmental initiative
- One that works toward a personal aspiration or career step

Goals should be about **helping an employee master new skills or concepts** or contribute purposefully to their team's success.

The Real Goal of Goal Setting

Well-defined, appropriately challenging goals that align with real-world timelines can be inspiring, rather than being entered in a tool or document that isn't looked at again until review time, when it's no longer relevant.

As you look for ways to help managers and employees set, update and measure progress against goals, make sure that your system allows the flexibility to:

- Establish new goals throughout the year
- Shift focus as needs change
- Align time frames with work and project cycles
- Document and format goals in ways that make the most sense

Finally, goals should be about helping an employee master new skills or concepts or contribute purposefully to their team's success, rather than whether they receive a 2% or 3% pay increase this year. It's difficult for individuals to recognize how their contributions translate into slight performance-based increases, and this can easily backfire. Instead, focus on internal, personal motivation to drive the performance you want to achieve.



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