



WHITEPAPER: ETW MANAGEMENT SERIES

Goal Setting Tips & Tricks

How to create highly effective, meaningful goals



GOALS AND SYSTEMS

Senior or C-level executives often see part of their role as setting the direction of the organization. It is for this reason they prioritize changing or updating their goals as the needs of the business change. However, very few mid-level managers keep up with their goals, and very rarely do front-line employees get into the practice of reviewing, setting and updating goals. This is a missed opportunity as mid-level managers and front line employees are the closest people to where the "work" is done and can only be fully engaged if they are very clear on what is expected of them, how they will be measured against it and how they are progressing to plan.

Setting effective goals and reviewing them regularly in a meaningful way requires extreme commitment and self-discipline, especially at the lower levels of the organization where goal-setting may not be perceived as a top priority relative to tactical problem solving that often consumes an employee's bandwidth. If employees do not have an expectation to follow a standardized process to review and set goals, and if that process is not part of a management system that is understood by the entire organization, at best, you are just stating that you have goals with no actual plan to carry them out or connect them to a larger purpose.

By utilizing available technology to institutionalize 1-to-1 meetings between managers and direct reports, which include a strategy sync, goal review and adjustment process, employees will begin developing the habit of collaboratively reviewing, changing and updating goals on a consistent basis.

As a benefit, setting consistent, organization-wide goals naturally increases accountability. Bersin by Deloitte research shows that companies who tend to their goals quarterly are 3.5x more likely to cultivate a high-performance culture.

With a proper system in place, we can now take a look at the anatomy of the goal itself. Let's evaluate goal effectiveness using the SMART goal method as illustrated below.

S	M	A	R	T
Specific	Measurable	Attainable	Relevant	Time-bound



Using the SMART goal system, is the below example SMART?

Sales team to increase sales.

No. In fact it really is only utilizing the “R” in that increasing sales is relevant to the sales team. Take a look at the revised version to understand how to craft this goal in a more effective way.

Revised goal:

Sales team to increase sales revenue by 10% by the close of Q4.

Meaningful goals give the employee purpose & understanding of what they are going to do for the company as a whole.

The second version gives us a much clearer picture of what we are trying to accomplish.

- It is specific in that we know what we are looking to change: sales revenue.
- It is measurable because we know we need to increase sales revenue by 10%.
- It is attainable because it is realistically based on the capabilities of the sales team within the time allotted for improvement
- It is still relevant: sales revenue is relevant to the sales team
- It is time-bound with a deadline for sales to complete the task

That was a pretty straight-forward, metric-driven goal. However, when you start thinking about setting your own goals, you should actually be looking beyond the metrics, and thinking bigger to set meaningful goals.

WHO SETS THE GOALS?

It's a common belief that goals that are set by the person tasked with achieving them, are more likely to be motivational and effective. That may be true, but would they also be meaningful to the organization as a whole?

If you asked every employee in your company to sit down and set their goals, how likely is it that those goals will be 100% relevant to your company's top-line objectives? Some employees would come close, while others would completely miss the mark. There is also a strong likelihood that goals would tend to be conservative, “sandbagged” goals as most people would only want to set goals they know they can accomplish 100%. This is where managers come in and act as coaches to help challenge and align employees in their goal setting process.



Now, if a manager went around and set all of their direct reports' goals for them with little or no input, it is easy to see how an employee would have trouble connecting with those goals or feeling inspired and motivated to achieve them.

Setting goals should be a collaborative effort between management and direct reports. Management needs to be involved to pass down the top-line objectives of the company and relate them to the goals being set by the individual employee. Employees need to be involved to maintain a sense of ownership over their goals, and to become fully aligned with the organization's strategy and purpose.

Let's go through a few tips and tricks for effective goal setting...

LESS IS MORE

Setting goals can easily shift into creating a task-list or mimicking a job description. That is not the purpose behind creating goals. You want to pick just a few key areas where defining the outcome will benefit performance. If possible, take one goal on at a time. Focus on the one specific goal that will provide the biggest impact on performance, and in turn, on the organization itself. When your goals stop competing with each other for your attention, you will find you have more time to dedicate to them.

TOP PRIORITY

It can be easier said than done to focus only on your highest impact goals. Because it is so easy for goal creation to turn into a task-list, it would appear as though you have quite a few impact areas that you would need to include in your goals.

One way to counter this problem, is to try to stop looking at them as individual tasks and projects. What can be grouped together? What items share a common goal or

impact? Working backwards from top outcome to projects and tasks that support and drive that outcome will help you combine and give priority to the most meaningful goals on the list.

Another way to counter the task-overload problem, is to go through your list and start ranking them. Use a number system and rank each one in order of importance. Then decide if your top four are truly your top four. Ask yourself if the top four have the greatest impact on overall performance, and success of the company.

KEEP IT SIMPLE

When setting goals, it's best to keep it simple by focusing on true performance goals. Behavioral goals should not make the list. That is not to say observable behaviors should not be communicated. Every organization should have a set of observable behaviors that helps employees better align to the corporate culture of success, but when it comes to performance goal setting, it is typically better to address behavior changes in 1-to-1 meetings.



Additionally, you should avoid the temptation of creating goals based on predetermined categories. If you start the goal-setting process with a preconceived expectation the top goals should fall within certain categories of goals, you will be biased to create one that fits into each even if it is not necessarily the best, biggest, or highest value goal you should be focusing on. Again, create your goals to be meaningful. Not to fit into a category.

HOW TO ENSURE QUALITY

As a system for quality check, managers should be working with direct reports and checking to make sure the goals are set with the right intent. Managers are the people in the organization who should best understand if the goals being set are of the right quality to benefit the top-line strategy. Utilize their expertise, and dedicate a portion of the monthly 1-to-1 meetings to collaboratively audit and review goals and provide constructive feedback related to the quality of those goals.

Another method to ensure goal quality is to work goal discussions into team meetings. Set some time aside for each team member to share their top 3-4 goals, with management present to provide feedback and foster collaboration. These discussions often reveal similarities among team goals and provide an opportunity to discuss, suggest and improve the quality of everyone's goals. Knowing you will be held accountable for the goals that were collaboratively created with leadership and your peers should further motivate you and justify the additional time and effort needed to create and maintain high quality goals.



Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion."

JACK WELCH

Understanding what makes a good, effective goal is extremely important to your overall success with goal-setting. But this is just the first step. To get the most out of your goals, follow a few additional best practices.



REGULARLY EVALUATE AND ADJUST YOUR GOALS

Things change, and you can expect your business to constantly be changing. Your goals must be adjusted accordingly. While high-level goals should be shared quarterly, it is also a good idea to check in with direct reports on a monthly or even weekly basis to discuss goal progress and evaluate if adjustments are necessary.



INCREASE TRANSPARENCY

By allowing all employees access to top-line company goals, you will help get everyone in the organization on the same page. Transparency allows for praise as well accountability. Being recognized by co-workers or superiors for achieving or surpassing goals contributes to continuous improvement and success. Employee goals being more visible will also help deter any potential office politics or siloing within teams.



EDUCATE EMPLOYEES

Goals can be an incredible motivation tool. Starting the process by educating employees on the importance of goal-setting will inspire them when it comes time for them to set their own goals. Provide basic training on how to create, measure, evaluate, and adjust goals. You may even notice a few goal-setting rockstars who can serve as resources and advocates.



CONSISTENCY IS KEY

As you continue to set and carry out goals, you will begin to notice how having consistency in this practice contributes to improved company operations. Consistent quality goal creation, collaboration and reviews inspire continuous improvement, and give the organization momentum.

To create a culture of complete company alignment, goals also need to be consistently maintained. By habitually reviewing progress, evaluating results, and making adjustments as necessary, your goals will be much more in line with the company's overall strategy and purpose.

Without the help of a technology solution, keeping all of your goals collaboratively maintained, aligned and refined to support the company strategy would be a daunting task. ETW organizes your goals in an easy-to-understand platform, and allows each employee to see exactly how their goals and achievements impact the company itself and captures how they are progressing toward those goals.

ETW Goal-setting terminology: A Cheat Sheet

System:

A Management Operating System is the tool that translates corporate goals into actions and tracks the organization's performance

Outcomes:

Top-line items that are relevant and dedicated to the improvement or success of the organization's execution plan and strategy

Goals:

What needs to be accomplished by managers, teams, and employees to allow the company objectives to be met/exceeded

Tasks:

How we plan to accomplish the goals. What processes and procedures need to be followed or instituted to complete the goal



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About ETW

ETW provides a platform to track, evaluate and measure employee performance against the major objectives of the organization. Easily execute and translate long-term strategy into clear, actionable goals. With ETW you can effectively communicate the company's roadmap to success and engage everyone throughout the organization with that roadmap. Using ETW your organization can connect employees to strategy and culture to drive sustainable winning results.

If you would like to set up a demo with our leadership team, please email info@etw.com



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EXECUTE TO WIN

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