The

HR INNOVATOR'S GUIDE

to

AGILE GOAL MANAGEMENT

Reflektive

Contents

01 / Introduction

Research proves goal-setting is a highly effective way of making progress towards achieving desired outcomes. Those who write goals down and gather social support are over 25 percent more likely to succeed at achieving their goals. However, only 58 percent of employees currently feel that managers clearly communicate goals.

As a performance management tool, goals can create structure, allowing managers and employees to have more actionable one-on-ones. When integrated into a performance appraisal, goals are a more objective measure of success which helps employees feel their work is being assessed fairly. Goals also drive employee engagement, motivating employees to learn and grow in their jobs.

> HR managers will find agile goal management effectively aligns business and individual objectives.

Setting goals is proven to be a crucial step in helping a company activate its workforce to achieve high-impact results, and understanding the elements of strategic and effective goal-setting is crucial. One of the best possible outcomes of actively adhering to the best practices of goal-setting is hearing employees discuss their work in the context of company goals – a clear indication that the workforce feels engaged with the company and its mission.

02 / Keys to Effective Goals

What are some important principles to take into account when defining a goal-setting process for your company? What are the best ways to structure a goal? Not all goals are created equal, and research shows that most goals are ineffective. Goals must be challenging, focused, measurable and relevant.

Goals Must Be Challenging

According to a goal setting methodology called OKRs (Objective and Key Results), you should set goals that you are 70 percent confident you can achieve. The reason the goal must be ambitious is that they must be designed to get people out of bed in the morning with excitement. The more uncomfortably exciting and the more of a stretch a goal seems, the more inspired employees will be. More importantly, if employees are certain they will achieve a goal, the goal isn't broad or challenging enough. If you don't set your goals high, you won't force the right questions.

Goals Must Be Focused

On the flip side, it's important that the set of goals an employee is assigned at any given time are highly focused and not too complicated or overwhelming. Typically five goals maximum per quarter are recommended and three are ideal to help employees feel empowered. Having too many goals leads to confusion and difficulty in prioritizing too many distinct tasks.

> *You should set goals that you are 70 percent confident you can achieve*

Goals Must Be Measurable

Optimize sales processes by reducing costs by 15 percent is an example of an objective, measurable and most importantly – actionable – goal. The more measurable a goal is, the easier it is to design a plan to achieve it and track its success. How do you write a goal that is objective and measurable? Here are some questions you provide to your employees to help guide them to write proper goals:

- Is the goal as specific as possible?
- Will you know exactly when you have achieved the goal? The best way to do this is to put a figure or value to the goal. Example: "Increase web traffic by 12 percent by the end of Q3."
- When will it be completed?

Goals Must Be Updated Throughout the Year

Goals are only effective if they are relevant. More often than not goals are neglected throughout the year, only to become outdated and therefore irrelevant. Organizations that regularly revisit their goals dramatically outperform those that utilize annual programs, according to research by Bersin & Associates.

When it's possible to measure ongoing operations, goal setting also allows for consistent monitoring, according to Talent Strategy Group. Tools such as Reflektive make it effortless to track and provide feedback on goals. Creating lightweight processes to "check in" on goal progress periodically ensures that goals are up-to-date and still relevant.

> *The more measurable a goal is, the easier it is to design a plan to achieve it and track its success*

03 / Introduction to OKRs

As companies grow and markets shift, getting teams executing in alignment may feel like a moving target. OKRs, or Objectives and Key Results, are an organizational system originated at Intel that is widely adopted by some of the most high-performing companies in the market. Its effectiveness lies in its simplicity and specificity: By identifying and committing to clear goals, OKRs help create team alignment and business clarity. Here is a breakdown of how OKRs work.

Objectives Are Set as 4-6 Quarterly Stretch Goals

Getting to high-impact results requires the creation of specific objectives that feel just a little bit out of reach. At Google, the philosophy is: "It is recommended to always shoot for stretch objectives. If you are consistently hitting your goals you are undershooting your capabilities. At Google, we strive to achieve a 0.7 score of our stated Objectives."

Unlike traditional goal-setting, the OKR system is designed to be quarterly so that pivots and updates can be made as teams progress. The goal of setting this objective is to be able to determine at a later time (ideally by next quarter) whether or not the company and team has been making progress in the right direction. It also needs to be broad enough to allow for all potentially pertinent key results to roll up into it.

Example objective: Get validation that Quorum is useful from users

Key Results Are Specific, Actionable Tasks That Ladder Up

Once the objective is set, the set of key results that roll up into the objective will help the team determine whether or not it has been reached. It is crucial that these key results are clear and specific enough for the team to take action and begin planning tactics for achieving those results. At the same time, key results need to be flexible so that a variety of solutions can be presented towards achieving those key results. Key results should contain measurable benchmarks so that it is easy to quantify whether or not they have been achieved during the OKR quarterly review.

Poorly designed key results fail to include calculable outcomes, which can result in a lack of focus amongst the team and ultimately, difficulty measuring whether or not the team effectively spent their time moving towards the larger objective. Calculating and choosing the correct metrics to optimize for varies by business and should be carefully and thoughtfully set to avoid unintended consequences and skewed incentives.

Example key results:

- Increase upgrade conversion rate to 10 percent
- Increase MAU (assumed to be flawed) to 30 percent using our analytics
- 70 percent of newly acquired users answer questions at least 100 times

> *Key results should contain measurable benchmarks so that it is easy to quantify whether or not they have been achieved during the OKR quarterly review*

OKRs Are Graded Quarterly on a Scale

After the team has completed the quarterly sprint towards the OKR, a phase of grading helps to quantify the level of progress made towards the OKRs. Google uses a 0-1 scale to help rate progress. However, instead of aiming for a 1, the goal is actually to land within the 0.6-0.7 range. As Google Ventures partner, Rick Klau states, "If you get 1s, you're not crushing it, you're sandbagging." Of course, scoring too low is a concern and if a team or individual receives a 0.4 or below, an internal evaluation should be conducted to understand where things are going wrong.

OKRs are ultimately one of the most effective communication frameworks for mobilizing and aligning teams to work towards key business results that feed into the vision and culture of the company. By thoughtfully setting and monitoring OKRs, companies can create a culture of transparency and focus that leads to strong quarterly performance.

04 / Introduction to S.M.A.R.T. Goals

Goals are a simple way to ensure individuals are aligned with the company's objectives. More crucially, clear goals are shown to motivate employees. Engaged employees drive customer satisfaction and stay longer at the company, driving long-term success.

The SMART goal framework first emerged in the 1980s. The criteria help managers and employees align on goals and communicate expectations clearly. Once SMART goals are defined, performance management conversations are more effective, because both parties know how to evaluate performance.

Specific

Just like New Year's resolutions, goals can be initially motivating, and then interest dies off only a few days later. To drive commitment, clearly define your goals. They should be narrow enough that anyone can visualize what it means to reach the goal. A vague goal might be to become more punctual, while a specific goal would be that you'll come to the office by 10 a.m. each day.

Measurable

A powerful goal-setting process needs clear follow-up. There should be a quantifiable factor to all goals. Of course, in a field such as sales, choosing a metric is easy. But even in goals related to soft skills, it is important to find a KPI in order to track and monitor progress.

Attainable

Whether you're setting goals for yourself or for a report, make sure goals are realistic. A reach goal can certainly be inspiring, but employees will lose motivation if there are not frequent opportunities to celebrate wins. That sense of accomplishment is important for new motivation going forward.

> *Engaged employees drive customer satisfaction and stay longer at the company, driving long-term success*

Relevant

Setting goals that drive the organization forward are important to the company overall, but also play into the employee's motivation. Especially in challenging moments, employees will be asking themselves, "Why?" Ensure individual goals align with overall objectives. Prioritize goals by how impactful they are.

Time-Based

Along with being quantifiable, goals need also to be set on a schedule. Quarterly goals should be broken down into smaller chunks with due dates. These due dates should also be attainable. There should be space for changes and flexibility based on outside factors.

05 / Getting Everyone On Board

Setting ambitious, measurable goals is an important exercise for all teams, but when it comes to simultaneously maintaining day-to-day responsibilities while aggressively pushing toward new objectives, even the most focused teams may fall off track.

Create Meaningful Measures of Progress

Task trackers and continuous performance systems are powerful ways to help teams stay organized and keep track of progress after OKRs, or Objectives and Key Results, are set. By breaking each key result down into specific tasks that individual contributors on the team must accomplish, it becomes much easier to track progress toward the goal.

Is the team 50 percent there? 80 percent? Which tasks are holding up progress and creating a bottleneck for other team members? Is a key step that needs to be accomplished in progress, or has it not even been started? By laying out all the steps and dependencies, it becomes transparent for all team members to see how they are operating together towards the goal.

Automate and Offer Intrinsic Motivation

While having a full-time project manager to document and track all the tasks needed to reach an objective would be ideal, not all teams have the resources available. Automation is a powerful way to reduce the manual workload for keeping track of contributions from individual team members.

Gamifying tasks so that teams feel a sense of accomplishment on the way to the quarterly objective is also an effective means of ensuring progress is made with as little friction as possible. Taking the engineer's scrum approach where teams report on what's been accomplished, what they're working on, and what's up ahead helps keep everyone accountable while adding gamified incentives to each micro-victory can help fuel the momentum of the team.

> *By laying out all the steps and dependencies, it becomes transparent for all team members to see how they are operating together towards the goal*

Schedule Consistent Check-Ins

Especially when teams are moving quickly to achieve a quarterly objective, having consistent check-ins to ensure that everyone is on the same page and work is integrative instead of duplicative is crucial. Check-ins should take place in the following forms: weekly meetings, daily stand-ups and break out meetings as needed.

Weekly meetings are an opportunity to review objectives and overall progress, as well as identify major roadblocks or concerns as a team. Feedback collected from various tools from tasks throughout the week can be shared and reflected upon. Daily stand-ups should be in place to help teams report on what they are working on and what they hope to achieve. Breakout meetings are essentially work sessions for a team to collaborate on a solving a problem that requires a deep-dive together to resolve.

By putting these guidelines in practice, teams can work together effectively to actually achieve the goals they set at the beginning of each quarter in a transparent, collaborative way.

Find Out More

hello@reflektive.com

www.reflektive.com/demo