How to Implement a Goal-Setting System

By

The Travel Institute
Overview
In this paper, you'll learn what goals are, how to write clear goals, and how to set performance goals for your staff members. We will also discuss how to design and implement a goal-setting system to increase productivity in your own organization.

What Are Goals?
Have you ever said, aloud or to yourself, “I want to lose 10 pounds” or “I want to retire by age 59”? If you have, then you have a basic understanding of what goals are. Goals are those things that you want to achieve. But they are more than just a desire or intention. They are the expected results of a planned course of action, or, as a dictionary may define it, “the purpose toward which an endeavor is directed; an end or objective.”

Many of us have made New Year’s resolutions, which are simply seasonal goals. Inspired by the dawn of a new year, we promise ourselves a fresh start at something we have failed at before, or we resolve to finally make happen what we have intended to do for some time. Regardless of the strength of our determination, many of us fail to reach the goal. In many cases, our failure is a result of having planned no course of action to attain the resolution. To really be goal-oriented, we need to do more than just give lip service to a New Year’s resolve. We must have a strategy to achieve it.

Still, more than a few people have made a New Year’s resolution and designed a plan to achieve it; yet they still fail. Why? In most cases it is because they failed to implement or execute the plan.

So goals have three parts: the desired result, the plan to achieve the result, and the implementation of the plan.

Why Do People Set Goals?
Why do people set goals? In a nutshell, because they want or need something; for example, “I want to lose 10 pounds.” A lot of us want to lose weight, and more than a few could benefit physically and mentally if we could achieve that goal. Some need to lose weight for health reasons; others want to feel better about themselves; still others may just want to be able to wear an item of clothing that no longer fits. We want or need the desired result. We can visualize ourselves wearing a smaller dress size or feel the increased stamina that losing weight may give us. We are motivated to achieve the goal because it meets our needs. But if goals are to be more than a wishful dream, they must be clear.

Why Are Clear Goals Important?
Unclear, vague, or confusing goals are part of the reason people fail to achieve them. Clear goals are important because they
• Provide people with direction.
• Enable people to focus energies.
• Motivate people.
• Serve as a basis for evaluation.
• Increase productivity and job satisfaction.

How to Write SMART Goals
Writing clear goals is not always easy. To be clear, goals must meet certain criteria. Clear goals are specific, measurable, action- and results-oriented, reasonable (or reachable), and trackable. In short, they are SMART. When writing goals, for yourself or your employees, focus on the SMART criteria to ensure that your goals are clear. Ask yourself the following questions about the goals you write.

• **Specific** Is the work objective clear, concise, and simple to understand? Someone not familiar with your work area should be able to read the objective and understand the nature of the work to be performed.

• **Measurable**: Is the objective measurable and/or quantifiable? Manager and employee need to agree on a method of measuring completed work that will clearly show whether or not the objective has been accomplished.

• **Action- and Results-Oriented**: Does the objective focus on both activities expected and results to be achieved? We perform activities but get paid for results—include both when you write a goal.

• **Reasonable**: Are the goals within reach of the employee? Although objectives should stretch and challenge an employee's capabilities, they must be within reach.

• **Trackable**: Is the objective trackable over time? Manager and employee should be able to monitor progress toward the objective in order to allow mid-course corrections.

Remember, writing clear goals is not always easy. But with practice, you will get better. Whenever you write goals, always do the SMART test and be sure to include an appropriate action verb in your goal. Take a look at the list of action verbs on the following page. They describe the specific action or behavior desired. Using an action verb will help you write goals that are SMART.
Important Tips About Setting Goals

• Make sure you know what you want.

• Be specific about the goal.

• Set short-term as well as long-term goals.

• Get support from key people.

• Make a commitment to your commitment.

Goal-Setting Action Verbs

- Define
- Describe
- List
- Name
- Write
- Recall
- Recognize
- Select
- Identify
- Explain
- Classify
- Find
- Show
- Demonstrate
- Record

- Compute
- Use
- Perform
- Analyze
- Separate
- Compare
- Summarize
- Discuss
- Evaluate
- Determine
- Respond
- Count
- Complete
- Increase

Performance Goals

Setting personal goals for yourself is one thing, but establishing performance goals either for yourself or for others is a learned skill. Performance goals are statements of work efforts and expectations that are tied directly to the overall mission of the organization.
and/or your specific work unit within that organization. Performance goals are typically used to evaluate employees’ work accomplishments over a period of time. They may be linked to promotion, salary increase or decrease, and reward and recognition within the organization. To be successful in setting performance goals, you need to practice the following process.

1. Agree on goals with your people. Meet with your manager and/or subordinates to discuss the tasks associated with your/their job. Select three to five key areas that need attention.

2. Write goals down. Write five or six goals on a single piece of paper, using less than 250 words for each. Have your manager and/or subordinates read and reread these goals for clarity, understanding, agreement, and brevity.

3. Set performance standards. Meet with your manager and/or subordinates and together agree upon performance standards for each goal. Every once in a while take a minute out of your day to compare your performance standards against your goals.

4. Show or model what good performance looks like. Show by example: either demonstrate it yourself or ask an employee to demonstrate it.

5. Match the behavior to the goal. Evaluate behavior (your own and your subordinates’) to see if it matches your goals.

Setting goals with your employees will

- Let them know what is expected of them.

- Give them a baseline from which to improve performance.

- Demonstrate how and what they need to do in order to improve.

- Create a standard by which to recognize good job performance.

To establish goals with your employees, you must first understand what the long- and short-term goals of your organization are, and how your performance and that of your work unit (division or department) are linked to those goals.

**Designing a Goal-Setting System**

As a manager, one of your principal responsibilities is to motivate your employees to be more productive. At this point, you have an understanding of what motivation is and some
ideas for how to identify what motivates each of your employees. You also grasp the connection among motivation, productivity, and setting goals. But how do you go about designing and implementing a goal-setting system in your organization?

**What Is a Goal-Setting System?**

Goal setting is a process by which supervisors and employees establish individual performance expectations, along with a means of measuring achievement. Very often this is the first step in setting up a performance evaluation system. Goal setting has proved to be very effective in increasing performance, often as much as 10 to 25 percent. The underlying premise behind a goal-setting system is to establish a process by which the employees meet with their supervisors on a regular basis to assess individual performance and plan strategies for increasing or improving that performance.

Key to the success of any goal-setting program is regular and specific feedback. Receiving regular feedback on performance allows employees to focus their efforts in key areas. It helps them recognize mistakes and avoid making them in the future. And soon employees begin to sense problems before they occur and generate possible solutions. Goal setting, if done properly, can also make employees more accountable for their performance. If they have a clear understanding of their manager’s and the organization’s expectations of them, they have a clear and recognizable target to shoot for. Achievement of goals then provides the employee with an intrinsic motivation because achievement of goals should trigger recognition of that achievement and, perhaps reward, and thus further the momentum to continue achieving.

**Design Issues**

Designing a goal-setting system is best done by a team representing both senior management and their direct reports. The process should include deciding what goals should be based on, how goals should be measured, who determines what goals are set, a timeline for reviewing goals with employees, and whether the goals represent a minimum standard of performance or if they should be more difficult so as to present a challenge. Let’s examine each of these issues for a clearer understanding of designing a goal-setting system.

**What Should Goals Be Based On?**

For a goal-setting system to be most effective, the goals should be crafted so that they can be accurately measured. Employees will naturally focus the bulk of their efforts on achieving performance that can be quantified. Activities that are not measured, whether or not they contribute to the achievement of goals, will be largely ignored. Therefore, it is imperative that goals be quantifiable. For example, increasing cruise sales by 10 percent is quantifiable. Measurement of such a goal is relatively easy, and activities that will help achieve that goal will receive a good deal of employee attention. However, if the organization’s real goal is to increase sales of a particular cruiseline, or increase sales of cruises to first-time cruisers, and those goals
are implied but not measured, it is highly unlikely that employees will be focused on the appropriate activities to achieve that goal.

So the first step in designing a goal-setting system is to define the organization’s goals. The second step is to determine the quantifiable measurements of each goal. Third, those goals need to be communicated to the employees, and finally, managers must meet regularly with employees to determine whether goals are being achieved, and, if not, to redirect the employees’ activities to goal achievement.

**The Relationship Among Feedback, Goal Setting, and Performance Management**

Setting goals and measuring achievement are only one-half of the equation. To be truly effective, a goal-setting system must employ a feedback system as well. It is through regular and focused feedback that our employees learn what they are doing well and how they might improve upon what they are doing. To measure an employee’s performance without sharing the results of that measurement is counterproductive. If employees do not know what they are doing wrong, or if they think they are doing what is expected, it is likely that no change in behavior will occur.

Ideally, managers should meet with direct reports at regular intervals. Just as reviewing a budget or financial plan regularly can keep you on the road to your financial goals, reviewing the performance of your human resources can keep you on track for achieving organizational goals. During feedback meetings, goals should be reviewed and achievement measured. Achievement of goals should be acknowledged and perhaps rewarded. Conversely, failure to achieve goals should also be discussed and analyzed.

Employees should be given an opportunity to share why goals were not achieved and offer solutions to improve performance. Perhaps the goals are not clear. Perhaps they are not attainable or not specific enough. Modification of goals may be entirely appropriate at this point, and desirable as well. After all, if a review of your marketing plan reveals that your target market has been misidentified, chances are you will either redefine your market or alter your marketing strategies to reach that market. It is much the same in sharing feedback with your employees regarding achievement of goals. Goal setting is a dynamic process. It is linked to all aspects of your business and is critical to its success.

Goals can be set for specific problem areas or can be more general, aimed at increasing overall performance. For example, if some of your employees are underperforming in a specific aspect of their work (such as cruise sales), you might want to consider targeting that area of performance with more specific short-term goals. However, most goal-setting systems are designed to improve overall performance.
How Should Goals Be Measured?
You may want to set specific goals for each aspect of your employees’ work. For example, in an all-purpose agency, you might have goals for cruise sales, tour packages, air tickets, hotels, car rentals, and so forth. Employees are measured on each specific goal. Though this is a viable option, it is often not an accurate reflection of total performance. A second option is to weight each goal in terms of difficulty. In this system, ranges of output are assigned a point value, and a total point value for all sales is the overall goal. For example, selling 1 to 10 cruises might be given 5 “difficulty” points, selling 11 to 20 cruises might be given 15 points, and so on. The key in each system is to set realistic goals and then to measure them accurately.

Keep in mind that you should measure employees only against activities over which they have control. For example, if your agency has areas of specialization, it would not be appropriate to measure your cruise specialist against a goal for tour packages. Put your goals to a periodic reality check as well. Goals should reflect what is going on in the environment as well as the economy. If your community is experiencing an economic slowdown due to widespread layoffs in the industrial sector and your business is beginning to feel the ripple effect of that slowdown, it might be time to reset your goals. It would be unwise and demotivating to measure your employees against goals that were unrealistic to begin with.

Who Should Set Goals?
Because achievement of goals is a shared responsibility between manager and direct report, both should participate in setting them. The employee will be doing the work, but ultimately the manager will be responsible for it. To gain the commitment of your employees, you must involve them in determining what the goals are and how these goals will be measured. Setting goals jointly will enable you to clear up any misunderstandings and ensure that your employees are clear about their performance expectations. It allows you to ask and answer any questions that might arise, and provides you with an opportunity to motivate, give direction to, and channel the energies of your employees. Setting goals jointly also sets the groundwork for the employees’ performance appraisal.

Implementing a Goal-Setting System
Once you have designed your goal-setting system and outlined the goals for each of your employees, or perhaps for the whole department, it is time to put the plan into action. Implementing a new goal-setting system can easily be thwarted by employees if you don’t communicate the plan effectively. Your staff may resist the concept of being held to a certain standard of performance or recoil from the thought of being measured against others in the department. A carefully planned communication is needed. You should answer any questions your employees may have about a new goal-setting system and address their concerns.
Though planned initially by a team representative of both senior management and direct reports, the system should have the endorsement and involvement of all levels of employees in the organization. A system that does not have the support of the owner or top-level management, or whose support is not communicated, will quickly be perceived as just another “in name only” policy of the organization. Employees may feel as if their performance is of no concern to senior management or, worse still, that they are simply being asked to do more with less.

**Review the plan with all employees.**

Schedule a general question-and-answer session so that employees can air their concerns or clear up any confusion. Follow up with individual sessions if needed for one-on-one coaching. Be up-front with your direct reports, and don’t try to conceal information or refuse to answer questions. The more you communicate with your employees, the greater chance your goal-setting system has for success, and the better your chances are for increased productivity throughout the organization.

**Summary**

Once you understand what motivates your employees, you must communicate to them the goals and objectives of your organization. Your job as a manager is to define what tasks and responsibilities will achieve corporate goals. Hence, you must know what your company’s mission or vision is, what both the long-term and short-term goals are, and what the relationship is between the goals of the organization and the activities of your staff members. Finally, you must be able to write clear performance goals for your staff and communicate your expectations of them in a way that will provide them with the motivation to achieve their goals.

Productivity is directly tied to both motivation and goals. It is the result of effectively communicating goals and providing the incentive to achieve them for each and every one of your staff members. A good goal-setting system should be designed by a team representative of both senior management and their direct reports. It should be based on corporate goals and must be quantifiable, or measurable. One of the keys to an effective goal-setting system is providing regular and specific feedback to employees. This feedback allows employees to focus their energies on doing the right activities at the right time and, hopefully, with the right attitude.