

# Adding Value to the Objective-Setting Process for Executives

Tiffany M. Bennett, Ph.D.

Christine C. Parker, M.S.

July 19, 2011

# Overview

- Challenges with Performance Objectives
- Cascading Objectives to Drive Results
- Research and Planning
- Working with Leadership
- Ongoing Guidance
- Conclusion

# Challenges with Performance Objectives

## What People think PM **should** do

-  Implement the organization's strategy
-  Help managers succeed
-  Help employees learn and grow
-  Improve manager and employee communications

## What People think PM **actually** does

-  Provide documentation for decisions
-  Provide basis for pay and other rewards
-  Enables dealing with poor performers

## Personalized objectives often serve as the foundation of the performance management process, BUT



It is often a challenge to get executives to spend the time to write high-quality, measurable objectives and buy-into a management by objective (MBO) system

Executive objectives often reflect generic leadership responsibilities and are only considered for performance evaluations

Objectives are often not formalized into organizational activities and are rarely communicated to subordinates

Leadership often neglects the objective-writing process, even though their input into the process would help increase buy-in

# High Performance Organizations Have Managers Who:



Help employees understand expectations



Help employees find solutions to problems



Play to employees' strengths



Discuss strengths and development needs



Provide ongoing, informal feedback

# Focused on What Underlies Effective Performance Management

Established a process to help produce high-quality performance objectives for leadership

Cascaded objectives to employees in a clear, concise manner that addressed expectations

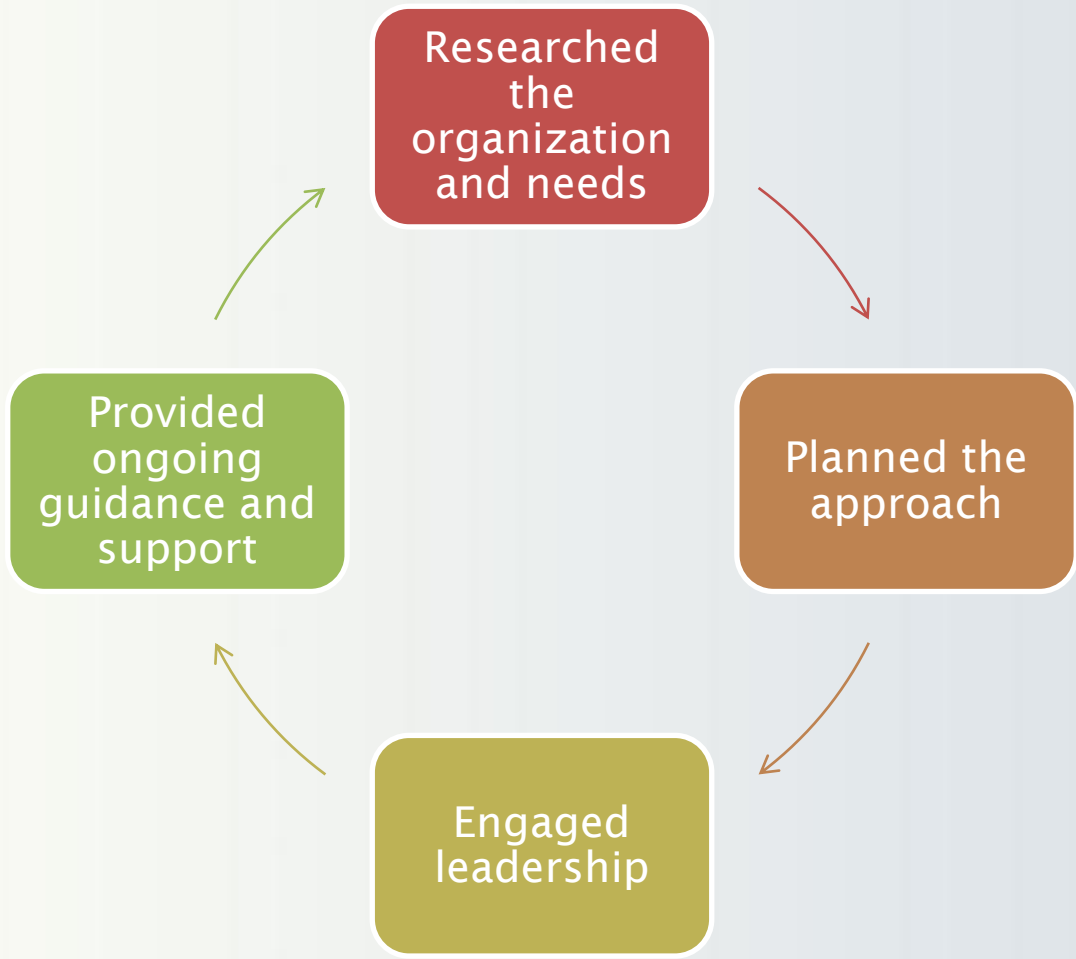
Ensured participation from top leadership and focused on business results

## SUCCESS REQUIRES:

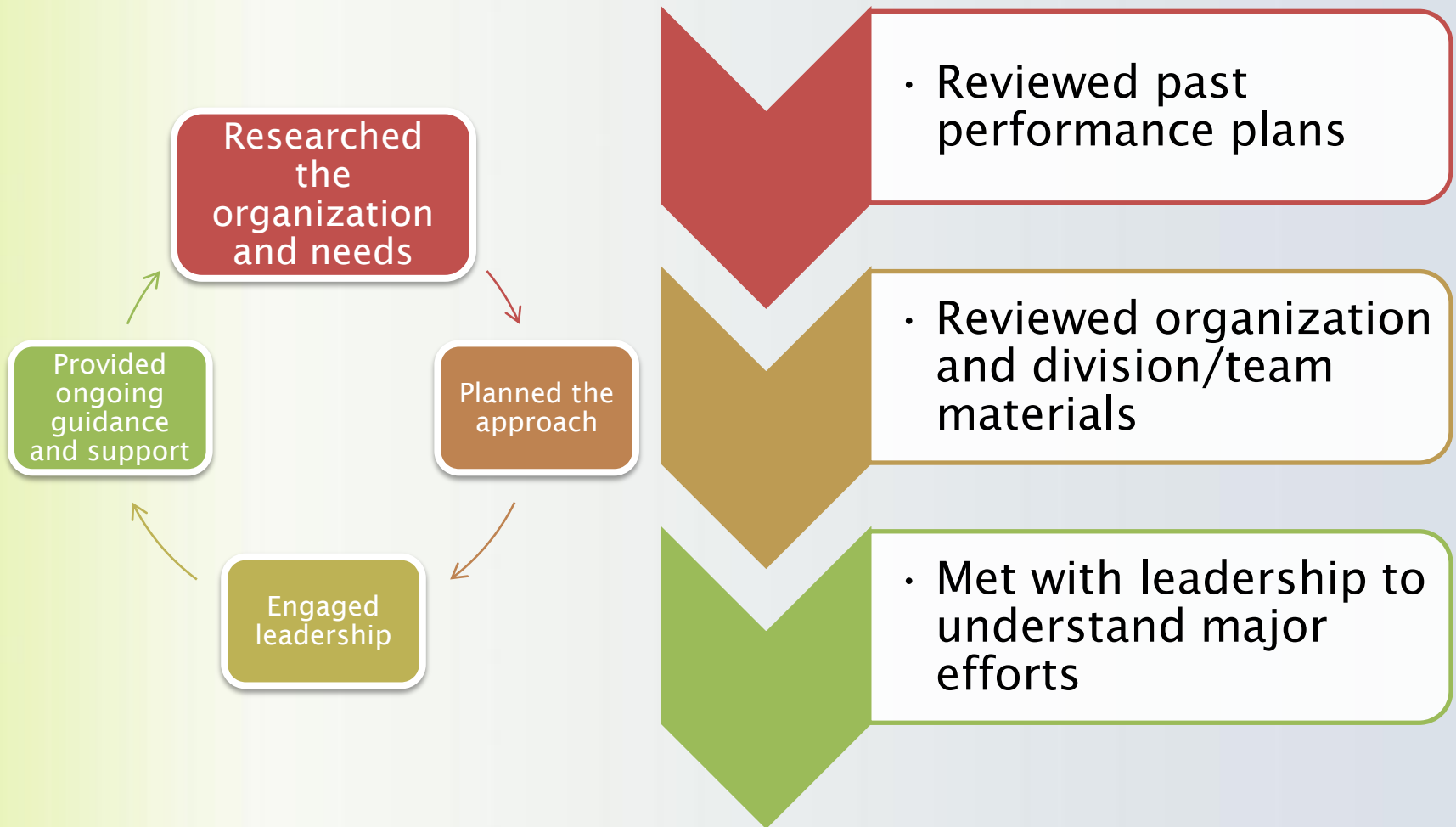
Leadership trust and buy-in

Strong knowledge of the organization's business

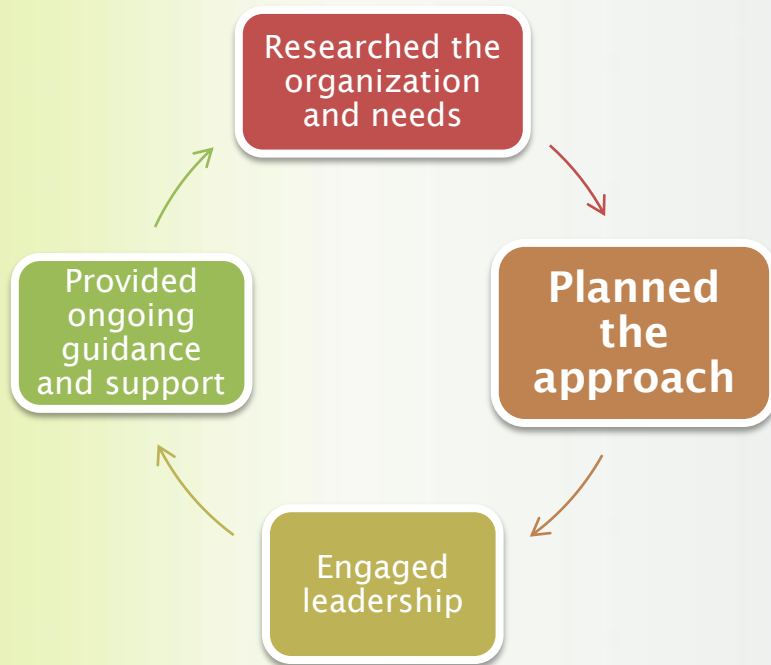
# The Process



# Research and Planning



# Held a Group Planning Meeting to Put the Pieces Together



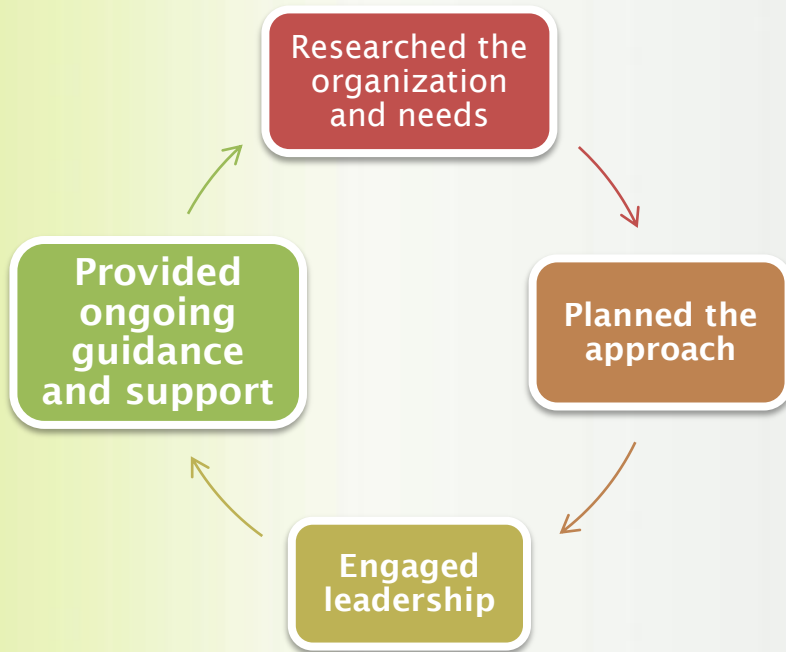
- Discussed strategic priorities for the year and discussed how these priorities would be major objectives for division/team leadership
  - Reviewed basics of the performance management system
  - Reviewed characteristics of high-quality objectives and how to write objectives
- Brainstormed criteria for evaluation or metrics
- Cascaded individual-level priorities and objectives in group
- Shared feedback

# Working with Leadership



- As a last part of the performance objective-setting process, helped leaders finalize their objectives
- Provided feedback how to make the objectives more specific, measurable, and easy to understand
- Linked objectives to real organizational results or supporting activities
- Worked with leadership team to continuously reevaluate the appropriateness of objectives/metrics

# Ongoing Guidance



- Provided guidance on how to integrate leadership objectives into strategic planning and agency accountability metrics
- Currently, for our client, the performance objectives of executives are being used to drive the agency performance evaluation process and strategic planning efforts
- Promote on-going conversations regarding performance between executives and their supervisors (and their subordinates).
  - On-going conversations help ensure the success of the performance management system
  - Day-to-day activity rather than a process followed once or twice a year

# Challenges in Implementation

- This process takes time and considerable leadership buy-in
  - Higher levels must draft and/or finalize objectives first
  - Considerable consultant/HR time is needed to facilitate
- May be difficult to cascade objectives at lower levels of organization
- Advantages may be achieved through informal and simpler communication processes

# Summary

- Objective-setting is not just for performance management
- More strategic planning up-front in the performance management process will help to streamline multiple efforts and processes
  - Helps gain leadership buy-in and produce meaningful results
  - Requires coordination across organization and within division/team
- This process is best conducted in an organization where the key players understand the business and maintain the trust of leadership and staff
- Conversations regarding performance should happen day-to-day rather than on a once a year cycle; cascading can be more informal

# Discussion