

Align Employee and Company Goals with Performance Reviews

The New Year is upon us. Now is the time when the majority of businesses will give all employees a performance evaluation. In my opinion, giving evaluations to all employees now is one of the most important ways a business can set the stage for a successful year.



In a recent article, I wrote about the importance of establishing clear goals for the year and suggested that one way to communicate those goals to everyone is an early all-hands meeting. I believe it is important for all employees to hear the same message coming from their leadership at the same time and in the same way. But that message must be reinforced and clarified for each and every coworker at a personal level.

The performance review is the perfect time for managers to translate those high-level company goals into the personal goals and activities required of each coworker. In my opinion, about a third of the performance review should be an honest assessment of performance in the past year. The other two thirds should be about the future.

Every coworker should have goals for the year that relate directly to the high-level goals of the company. For example, the company can't improve on-time delivery unless coworkers improve timely completion of tasks or participate on a continuous improvement team that successfully improves delivery reliability. If the company goal is improved quality, coworkers must reduce defects.

Good people want to help their company succeed, but they need to understand how they can contribute. That is why it is so important for managers to help them make the connection between their performance and whatever improvement the company's leaders are trying to achieve.

Making that connection also makes it important that when goals are given to an employee, both he or she and management understand how the employee will be measured. It makes no sense to give employees performance goals without the ability to measure their performance.

It is fashionable today to give team goals to members of a work team. That works well only when you have a solid team of high performers. On a team with a mix of good and marginal performers, the marginal ones get too much credit for the team's achievements and the good people get too little credit for the extra work they do to cover for the marginal ones.

Giving every coworker goals aligned with company goals requires a little bit of extra coordination on the part of management. Early on, top management must translate company goals into functional contributions so that functional managers know where to start in pushing the goals down through their organizations.

Company goals are not the only goals that should be given to coworkers this year. Every employee should have at least one personal improvement goal that relates directly to their growth and development as an employee.

I've worked with companies where personal growth goals are allowed to veer off into areas that have nothing to do with the business. It is nice for someone to study or do something that broadens and enriches them as a person. I would never discourage that, but I want a goal in there that broadens and enriches them in their current or potential job position.

That is important because of two responsibilities I believe every manager should accept - to strengthen the organization and to help every individual coworker reach their highest level of capability. For each coworker managers should be asking, "What is the next thing this person can learn that will result in a higher level of performance or perhaps promotion?"

The manager's work isn't done when the personal growth goal is identified. He or she must support the employee's efforts to achieve the goal. That might mean sending the employee to a class, providing time for on-line learning or giving the employee special skill-broadening assignments. Growing employees is a team effort.

It is very difficult to have continuous improvement in an organization where managers are not asking that question and providing that support. Conversely, setting and supporting those personal goals year over year can be a strong start to transforming an organization. People who are encouraged to grow are more capable, flexible and open to change than people who live in the status quo year after year.

Doing performance evaluations early in the year will get the business off to great start, but when coworkers are given goals to achieve, it is just as important to have periodic reviews to help keep things on track. The best practice is to sit down with each employee at least once a quarter to review progress and identify and remove roadblocks to success.

An investment now in setting goals for each employee will be rewarded throughout the year.

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