Reflektive

HR Guide to Designing a Goals Program

Table of Contents

1. Introduction

In the modern workplace, alignment between individual employee responsibilities and overall business objectives continues to be a major challenge.

In fact, more than 35% of US employees say that alignment is their biggest barrier to successful business execution[1]. One of the best ways to boost employee alignment is to give them much-needed visibility into both overall business objectives and the priorities of their cross-functional partners. The easiest way to do this? A flexible and easy-to-use goals program that acts as a source of truth for leaders, managers, and employees on company-wide business objectives.

This guide for HR professionals explains the crucial components of an effective goals program and how to best select, launch, and manage your program. Per Thomas Edison, "Being busy does not always mean real work. The object of all work is production or accomplishment and to either of these ends there must be forethought, system, planning, intelligence, and honest purpose, as well as perspiration. Seeming to do is not doing."

1. Based on a Reflektive survey of 1,000+ US workers

2. The Value of a Goal Management Solution

Goal management and alignment is crucial to the success of an organization.

However, only 20% of employees have visibility into team and corporate goals[1] — meaning 80% of employees can't effectively align their work to broader business goals. Because of this, employee performance, productivity, and engagement suffers.

With a transparent, cascading goals program, employees have visibility into organizational goals and can see how their work directly impacts them. Goal transparency also drives empathy across teams — knowing the priorities of other teams removes friction during cross-team collaboration. Additionally, having goals documented and available in employees' favorite apps drives a higher likelihood of completion.

Those who have good cross-functional alignment are:

180%

more likely to agree that being part of a team **inspires** them to perform better.[2]

98%

more likely to **recommend their company** as a great place to work.[2]

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1. "Two Things You Must Do To Align Employees With Your Strategic Goals," Human Capital Institute: https://www.hci.org/blog/two-things-you-must-do-align-employees-your-strategic-goals

2. Based on a Reflektive survey of 1,000+ US workers

HELPSYSTEMS CASE STUDY

A high-growth tech company tackles aggressive corporate objectives by using Reflektive for goal alignment and visibility across platforms.

HelpSystems achieved the following before their December 31st deadline:

- Increase international software bookings by 30%

- Increase new product revenue from existing customers by $3 million

- Increase adoption of new product to 600 customers

- Grow revenue from hosted products to $1 million

Read the full case study →

2.1 For Managers

One of the biggest beneficiaries of a dynamic goal management program is managers. With managers stretched thinner than ever, it's challenging for them to have visibility into what their employees are doing — and whether their tasks are supporting company-wide initiatives. The ability to view goals and progress for their direct reports drives improved alignment. Managers can act more quickly if they see employees are working on low-priority tasks, and they can ensure that direct reports work on higher-value projects instead. Goal visibility also fosters improved professional relationships between managers and their employees — they enable them to have open, honest conversations on how their work impacts company success and additional projects that drive value for the organization and the employee.

2.2 For Employees

Individual contributors are much more likely than managers to lack visibility into team and corporate goals. They are almost 100% more likely than managers to disagree that they understand how their work impacts the org's business goals.[1] However, 69% of employees agree that company-wide goal alignment is paramount to their success.[1] Clearly there is a disconnect between the visibility that employees have, and what they need to be successful in their roles.

1. Based on a Reflektive survey of 1,000+ US workers

However, when workers are engaged with their goal management program, there are huge benefits for their organization. **Those who like their processes for goal-setting are:**

- **3X** more likely to recommend their company as a great place to work[1]
- **2.1X** more likely to tell friends that their company has great products or services[1]
- **2.4X** more likely to work at their company 2 years from now[1]
- **2.9X** more likely to work harder than they have at past companies[1]
- **1.4X** more likely to agree that what they work on at their company matters[1]

2.3 For Teams

Similarly, goal visibility drives positive outcomes for teams. Those with visibility into other teams' goals are much more effective at partnering cross-functionally. They are:

- **81%** more likely to agree that there is good alignment between their team and other teams[1]
- **181%** more likely to feel excited when they learn about a new team project[1]
- **136%** more likely to prefer working on a team versus working on their own[1]

Given the growing prevalence of teamwork in corporate environments, equipping teams with tools to build transparency and communication increases their likelihood of success.

1. Based on a Reflektive survey of 1,000+ US workers

2.4 For the Company

For all of the aforementioned reasons, goal transparency and alignment has a meaningful impact on a company's success. When employees have a goal program that meets their needs, they're more likely to stay at the company and work harder. Based on research from Sven Asmus, Chair of Corporate Management at Technische Universität München, goal-setting improves worker performance by 12% - 15%[2].

When teams can view the goals of other teams, they feel more aligned and excited about cross-functional collaboration. Employees can also better execute their projects when they have a clear idea of what success looks like. Building out the right goals program for your employee population can clearly drive real, tangible results and shape the trajectory of your organization.

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2. The Impact of Goal-Setting on Worker Performance: https://www.sciencedirect.com/science/article/pii/S2212827115001626

3. Recommended Goal Methodologies

With clear data points on the importance of a robust goals strategy, the next question that customers have is: how should I build my goals program?

The answer is: there is no perfect program for every company! Every organization has different levels of transparency, speed of business, and hierarchy. Thus, there is no one-size-fits-all approach. What we do recommend is selecting the right goal methodology for your company, and committing to it.

A goal methodology consists of the program structure, goal components, and best practices for rolling out goals company-wide. The below methodologies have been effective for small, medium, and large companies, and across numerous industries as well.

3.1 OKRs

DEFINITION

OKRs, aka "Objectives and Key Results", are ambitious goals comprised of a single objective, and three or four key results designed to measure progress on the objective. OKRs are used for team, department, and company goals. They are meant to be challenging — if teams are consistently meeting their OKRs, they're not dreaming big enough!

EXAMPLE OKR

Objective: Increase revenue from European customers by 30%

Key Results:

- Hire 2 new Account Executives in Germany by March 2020

- Upgrade all European customers to new contract and pricing by June 2020

- Increase European customer adoption of new platform product by 40%

WHO SHOULD USE OKRS

OKRs are flexible enough for companies of all sizes and industries. Big tech firms in particular - such as Google, Amazon, Adobe, and Microsoft - have adopted the OKR methodology. OKRs have also gained traction among smaller, forward-thinking organizations in the past few years.

OKR BEST PRACTICES

Rollout: To drive organizational alignment, we recommend that OKRs are set at the company-wide level first, and then shared with all employees. This visibility provides employees with insight into key corporate objectives that they can consider when they craft their own goals.

Number of OKRs: We recommend no more than two or three OKRs per team. Several OKRs will dilute the attention and effort that teams can give to them. Choose the most compelling OKRs, track your progress towards your goals, and use the data from previous OKRs to determine your next objectives.

Transparency: All employees should know who is working on which OKRs, and the desired outcomes. Transparency increases interdepartmental collaboration and encourages employees to support each other.

Specificity: All key results should be quantifiable and time-bound. By having numbers and percentages on key results, teams can be better informed for future goal-setting. Additionally, a firm deadline creates a sense of urgency, and a higher likelihood of completion.

Measurement: We recommend evaluating OKR completion on a quarterly basis. This helps to keep employees accountable, and better inform goal-setting for the next quarter. However, goals can be discussed and updated on a weekly basis during 1:1s. This helps drive alignment between employees and managers.

Alignment with Company Goals: No matter how compelling an OKR is, it's of little use if it isn't aligned with company goals. Ideally, each level of the company has an OKR supporting the level above it — individual OKRs support team OKRs, which support department OKRs, which support big-picture company OKRs. The company OKRs are based on the organization's values and mission. When each level supports the next, the organization is much more likely to attain its most important objectives.

3.2 SMART Goals

DEFINITION

SMART goals were designed to help managers and employees align on goals and communicate expectations clearly. SMART goals have the following attributes:

Specific: Clearly defined– anyone can understand what completion looks like

Measurable: Has a KPI to track and monitor goal progress

Attainable: Realistic, so that employees can celebrate wins

Relevant: Aligned with team and company objectives to drive employee motivation

Time-Based: On a schedule to boost the likelihood of completion by employees

EXAMPLE SMART GOALS

- Increase the number of Instagram followers by 10% to 100,000 followers by June 30

- Increase sales revenue by 15% to $200,000 by the end of the quarter

- Close 20 support tickets every day for the month of July

WHO SHOULD USE SMART GOALS

The SMART methodology has existed since 1981, so many people are already familiar with it (they may use it outside of work too!) Given the flexibility of SMART goals, they can be used by almost any organization, and at any stage of the business lifecycle.

SMART GOALS BEST PRACTICES

Align on Goal Progress: Given the time-bound nature of SMART goals, we recommend frequent syncs with stakeholders regarding goal progress and updates. On a weekly or bi-weekly cadence, goal owners can meet with teammates to share progress, blockers, and help needed to hit their goal in the desired timeframe. SMART goals can be discussed in 1:1s to drive alignment between managers and employees too.

Celebrate Wins: Since SMART goals are business-focused objectives that require significant time and effort, we recommend celebrating smaller milestones to drive motivation. So for instance, if a sales rep has a SMART goal of increasing revenue by 15% in 2019, he should get recognition from his manager and peers when he increases revenue by 5%, and then 10%.

3.3 FAST Goals

DEFINITION

FAST goals help companies execute their strategies by translating ambitious goals into specific metrics and milestones[4]. FAST goals have the following attributes:

Frequently Discussed: Embedded in ongoing discussions to review progress, allocate resources, prioritize initiatives, and provide feedback[4]

Ambitious: Helps motivate employee performance

Specific: Clearly defined – anyone can understand what completion looks like

Transparent: Company-wide visibility increases employee motivation and cross-functional alignment

EXAMPLE FAST GOALS

- Create 500 marketing-qualified leads

- Complete 3 integrations

- Onboard 90% of customers in 3 months or less

WHO SHOULD USE FAST GOALS

FAST goals are appropriate for companies of all sizes, and across diverse teams and roles. Companies in more traditional industries - such as AB InBev, Burger King, and Kraft Heinz - prefer FAST goals because they "enable employees to align their activities with corporate strategy and to coordinate more effectively across silos."[4]

4. https://sloanreview.mit.edu/article/with-goals-fast-beats-smart/

FAST GOALS BEST PRACTICES

Encourage employees to align goals: Ensure that all employees have visibility into top-level goals, so they can align their objectives to these goals. Seeing the impact of their contributions drives productivity and engagement.

Find the right way to drive ambitious goals: According to FAST goal methodology, ambitious goals are a key component to driving an organization forward. To encourage employee creation of ambitious goals, set expectations that employees are not required to hit their exact target every time. Or you could provide a reward for those who do achieve challenging goals. The key takeaway is to determine what best motivates your unique employee population, and stay consistent with that approach.

4. How Goals Fit Into Performance Management

Goals have been a longstanding component of robust performance management programs. However, leaders, managers, and employees can get more value from their goal system by integrating it into other key elements of their performance program.

4.1 Performance Evaluations

Goals should always be included in performance evaluations. By incorporating goals into performance conversations, there are several key benefits.

First, managers can better assess employee performance by having quantifiable targets and discussing them openly with their direct reports. Second, employees can learn and grow by analyzing their goal successes and failures.

Also, having goals and performance reviews in one system benefits HR leaders, managers, and employees.

With a holistic solution, employees are more likely to develop goals, complete performance reviews, and improve performance.

EXABEAM CASE STUDY

Reflektive customer Exabeam achieved the following results with a "one-stop-shop" for goal-setting and performance reviews:

- 90% of employees hitting their goals
- 90% time saved administering performance reviews
- Attrition rate much lower than the industry average

Read the full case study →

4.2 Feedback

Feedback is a crucial component in driving completion of employee, team, and departmental goals. We recommend that goal owners request feedback at key milestones in their progress. For instance, if a sales rep wants to increase ARR by 20% in 1H2020, they can follow-up with colleagues when they increase ARR by 10% and 15%.

4.3 1:1s

Goal discussion isn't only for formal conversations and feedback — it can also be covered in an employee's 1:1 with her manager. This proactive approach has several benefits for the employee and the company:

- Better alignment of individual goals to business goals
- Improved manager visibility into the employee's projects
- Improved ability to troubleshoot roadblocks early
- More accountability for the employee

Goals don't need to be covered in every 1:1. But as an employee-driven meeting, direct reports should feel free to discuss their goals and progress as needed.

4.4 Employee Engagement

Goals are also a mechanism for addressing employee engagement. There are a couple of different ways that HR teams can use goals to improve employee sentiment.

First, HR teams can lead training and ensure that employees input attainable goals. While it's okay for goals to be challenging, employees shouldn't have a goal that is so difficult that they're immediately discouraged.

Second, HR teams can create goals to act on low employee engagement. For instance, if HR leaders determine that the Boston office has low engagement because they don't have confidence in leadership, they can create one or more goals in Reflektive to follow-up on this. Perhaps they can lead a new manager training. Or hire additional managers to support the rapidly-growing team. Regardless of the type of follow-up, being able to easily create and view goals makes them more likely to be completed. And by being transparent and acting on engagement-related issues, employees are more likely to be happy and stay at the company.

SNAG CASE STUDY

A technology company set out to tackle low morale after two rounds of layoffs. They partnered with Reflektive to launch an engagement survey, analyze results, and act on their insights.

Snag's Senior HR Manager, Katie Webber, led a company-wide meeting on engagement to drive transparency and visibility. The results? Fewer employees are interviewing with other employers.

"By being vulnerable and not dancing around things, we were able to show our commitment to positive, long-term partnerships with our employees."

– **Katie Webber,** Sr. HR Manager at Snag

Read the full case study →

5. How to Launch a Goals Program

Building a successful, company-wide goals program doesn't happen overnight. But by developing helpful resources and partnering with business leaders early in the process, you can craft the right program for your unique business needs.

5.1 Start with a Training Session

Not all employees may be familiar with the goal methodology that you're rolling out. To drive successful adoption of your goal program, schedule a training session for all employees on this topic.

We recommend covering:

- The purpose of your goal program
- Best practices for creating goals
- How to incorporate goals into existing workloads
- When to track & update goals

5.2 Build a process around it

To drive excitement and participation in your goals program, we recommend a goals kick-off with an email campaign, posters, rewards, and anything else to energize your employees and raise awareness. Let employees know when goals should be created, reviewed with managers, and updated. You can even block time for these goal milestones in the company-wide calendar. Reward teams that are the first to create their goals — this will drive some friendly competition and motivate folks!

5.3 Automate whenever possible

Automation helps reduce employee effort needed to track goals. Reflektive, for instance, integrates directly into workflows, allowing team members to view goal details in their favorite apps and add agenda items to 1:1s. This helps to keep employees on track and drive goal transparency across teams too.

MORE RESOURCES

Launch best practices and email templates

Reflektive Knowledge Center →

5.4 Track and Report on Goals

Prior to launching your goals program, ensure that your reporting tool captures crucial goal data, such as completion rate and number of goals. This will help you track the success of your goals program, and ensure that your workforce is using goals appropriately. We also recommend sharing out goal progress and important KPIs on a regular basis with company leaders. Be open to implementing changes from leaders or based on goal adoption at your company.

5.5 Suggested Launch Project Plan for Goals

MORE RESOURCES

Determining the Optimal Goal Cadence

Read Now →

STEP 1

Define what success looks like and how you'll measure it

Some success examples include, "All employees have one or more goals created" or, "We achieve 80% of our company-wide goals this quarter"

STEP 2

Pick a goal methodology and goal-setting cadence that works for your company

Goal Methodology: Conduct research on the pro's and con's of different goal methodologies, and what is needed to execute them well. Once you have a recommendation, share it with company leadership for their input.

Goal-Setting Cadence: Determine the right frequency for employees to update their goals. We recommend a quarterly cadence for most companies, but smaller companies may need to update their objectives more frequently.

STEP 3

Identify who your key partners will be to launch this program

Having other business leaders as champions for this program will help motivate managers and employees to follow. Find those leaders across your organization that can become ambassadors on this initiative.

STEP 4

Pick a launch day and work on your timeline

A good practice is to pick a date and work your way backwards to identify key milestones you'll need to hit to make that deadline achievable.

Recommended milestones include:

Schedule a managers training session: Managers will ensure that their team and their direct reports create relevant, achievable goals. Ensure that managers are fully trained on the importance of goals, your selected goal methodology, and how to create and update goals in your performance management solution.

Prepare email communications and campaign assets ahead of time: An integrated promotion campaign will help managers and employees understand the value of the program and will help drive adoption!

STEP 5

Track progress and communicate results!

Make sure you use a people analytics platform, such as Reflektive's People Intelligence solution, to keep track of goal numbers and goal completion rates across your company.

STEP 6

Iterate, Iterate, Iterate

Identify areas of opportunity, and continuously evolve your processes, to adapt to your changing workforce. We recommend getting feedback from company leaders, managers, and employees as you optimize your goals program.

MORE RESOURCES

Goal Management for Managers

Read Now →

Goal Management for Individual Contributors

Read Now →

6. Recommended Reflektive Goal Configurations

No two companies are alike when it comes to their goal management experience.

From no goal-setting, to recording goals in spreadsheets, to using a dedicated goals solution, every company has a different journey. For companies that are new to goal-setting, we recommend focusing on employee-manager alignment, with the main objective being growth and development for direct reports. For companies with more experience in goal management, we recommend transparency when possible. This enables employees to view their goals in the context of other corporate initiatives, driving productivity and engagement across your workforce.

Recommended Reflektive Goal Configurations

EXPERIENCE LEVEL	CONFIGURATION	CATEGORIES	VISIBILITY
Minimal	Checkboxes with user completion	Business, Development, Onboarding	Private
Medium	OKR with measurements	Business, Development, Onboarding	Default to private with public option
Advanced	OKR with measurements	At company's discretion	Default to private with public option

Another question you may have is whether companies should always use cascading goals, or if there are situations in which it's better to not align goals to company-wide objectives. Depending on employee comfort with goal management, and the type of goal being created, we recommend the following:

Recommend Goal Alignment based on Goal Type

WHO	OKRS	SMART Goals	FAST Goals
TEAM (can be departmental, cross-functional, etc)	**Companies new to OKRs:** Team leader to create an objective, and assign key results to individuals **Companies experienced in OKRs:** Individual creates objective and key result	A team leader can create a high-level goal, and individuals can align their goals to the team goal	A team leader can create a high-level goal, and individuals can align their goals to the team goal
INDIVIDUAL	**Business-related goals** should map to company-wide or team objectives. **Development goals** can be unaligned.	**Business-related goals** should map to company-wide or team goals. **Development goals** can be unaligned.	**Business-related goals** should map to company-wide or team goals. **Development goals** can be unaligned.

7. Measuring Success

Now that you know how to successfully launch a goals program, the next question you probably have is: how do I measure the success of my goals initiative? How do I know what to focus on, and where I can drive improvements?

Below is a sample pre-built dashboard from Reflektive, showcasing some of the goals metrics that are most valuable to our customers. We've also included key data points you should monitor to track goal progress and identify problem areas early on.
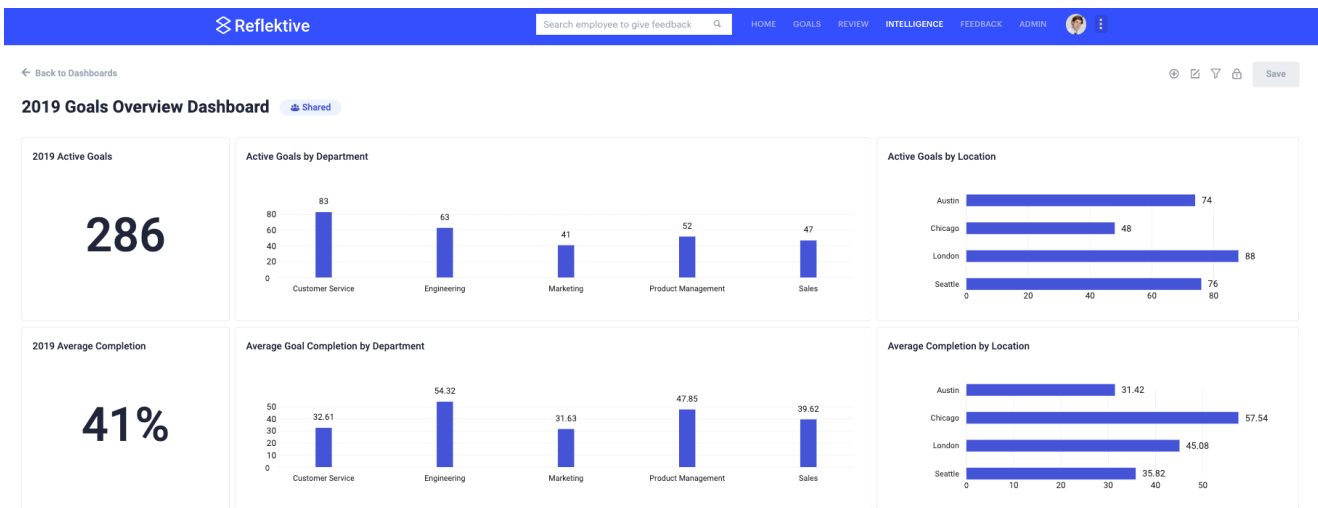
Reflektive's People Intelligence Solution

Goal Completion Rate: Examine the average goal completion rate across your company, and use it as a benchmark. Then take a look at completion rate by department, location, or any other demographic. This will help you identify high-performing teams that can share best practices with you. Perhaps the engineering team discusses goals during their weekly meeting, which contributes to their high goal completion.

Conversely, you can identify teams, departments, and offices that have low goal completion and work with them to address this issue.

At-Risk Goals: Another metric we recommend tracking is at-risk goals. Reflektive defines "at-risk" as less than 60% completed. For each department, we recommend comparing the number of at-risk goals to the number of total goals. For instance, perhaps the average percentage of at-risk goals across the company is 30%. For the Customer Success team, that percentage is 50%. This might indicate that the CS team is creating too many goals, or that the goals are not achievable.

Regardless, the HR team now knows to talk to CS leadership about the department's goals and how to effectively set them.

Average Goals per Employee:
To ensure that employees are setting goals appropriately, we recommend that HR leaders evaluate the average number of goals per employee. HR teams can look at the average across the entire company, and use that as a baseline. We recommend no more than 5 goals per employee. Then, you can look at the average goal per employee by department, location, or other demographic. You can then identify if there are teams or offices that are creating too many goals or too few goals.

8. Conclusion

Forward-thinking companies know that it's a continuous journey to improve organizational alignment, and having the right goals program can help.

We recommend an iterative approach to goals that thoughtfully incorporates best practices with your unique workplace culture. Ultimately, a program that drives goal visibility and recognizes employee wins will help you retain your best employees and set them up for ongoing success.

9. Resources

Want to become a goal management expert? Learn how to get the most out of Reflektive's Goal Solution with these additional resources.

Goals Webinars →

Setting Up Goals In Reflektive →

Goal Management For Managers →

Goal Management For Individual Contributors →