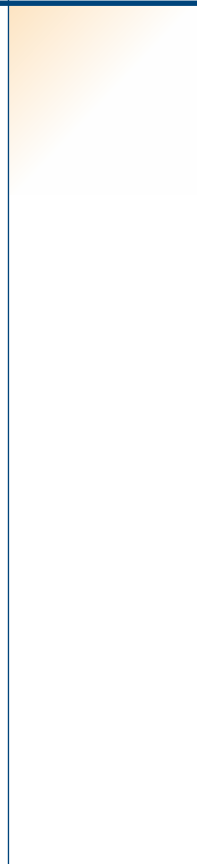




# GOALS VERSUS PERFORMANCE:

How to Improve Workplace Communication for Proven Results

---



---

*“What we got here is a failure to communicate ...”*

It’s one of the most iconic and memorable lines of any movie of the past 50 years. But it could also be a starkly accurate summary of one of the biggest problems with the American workplace today; a problem that has gone largely unrecognized and unchecked for decades. Miscommunication.

Of course, it’s no revelation that there are widespread communication challenges and often, real problems between managers and their employees. It’s part of the fabric of the workplace and an issue that HR professionals work with day in and day out. But whereas problem-solving efforts are often focused on what is, or isn’t said, over the desk or on the shop floor, the real root of the problem lies deeper in the actual processes companies employ. In other words, workplace miscommunication takes many forms, mostly unseen, and all of which add up to an unsatisfactory sum of their parts for interpersonal dynamics and company efficiency.

This white paper examines common processes and problems of the American workplace but offers new, dynamic thinking and solutions to affect real change without making more work for you or more headaches for managers.

Let’s start with one of the most deep-set, impactful and least recognized examples of miscommunication. It lies squarely at the heart of all kinds of workplace issues as far ranging as employee motivation, managerial effectiveness, operational efficiency and, of course, compensation and performance. That example is the critical misunderstanding of the difference between goals and performance.

What may sound like a semantic technicality is actually one of the biggest misfires in business processes, almost certainly one of the least noticed and also sets off a whole chain of miscommunications. It’s the reason you can name a good employee who shows up on time, is well liked and can be a real team player on a project. And it’s the same reason his or her manager can’t pinpoint the specifics of how that employee is performing or tracking against their own goals or goals of the company as a whole.

To shed a little light on the subject, ask yourself this: does your management team know who are the top ten performers in the company? Or the top ten percent, if that’s more relevant? And not just by gut intuition, but also by a true, measured assessment of every individual and the multiple ways in which these stars are performing in every role they have in the company? Do their supervisors have a granular understanding of how every one of their direct reports is tracking against personal goals as well as those of the company or organization?

**“What we  
got here is  
a failure to  
communicate”**

Cool Hand Luke,  
Warner Bros. 1967

---

The answer for most companies and most managers is no. And the reason is simple – goals are not the same as performance, but most companies in corporate America have failed to notice this.

Before examining simple solutions to help right the wrong, it's important to dig deeper and realize how the problem could have taken root. As well as to ask why should anyone but the HR profession care?

“The only things that happen naturally in an organization are friction, confusion and malperformance. Everything else is the result of leadership.”

Peter Drucker

# How Could This Happen Here?

## I: Analysis

Nobody should be too frustrated. The confusion over goals and performance measures is endemic to the American workplace, ingrained in the manager/worker culture for decades and filed away as definitively as last year's employee performance review paperwork. That said, to succeed in today's tougher economic climate, to really begin pinpointing the most productive employees in a workforce and areas that need support, businesses must start redefining how they think of, and evaluate, both goals and performance.

Getting started on that path is a matter of figuring out two things: is your business really analyzing the way your workers work today, and secondly, if not, what is the human cost of not fixing it?

### ✦ Are you analyzing the way work gets done today?

In many industries, top down hierarchies have not so much bottomed out as gone horizontal. Fifty years ago we all took our slots on the corporate pyramid and worked, or awaited, for the opportunity to step up to the next level. It was the way it was done and communication happened one way: passed down from above. While there are still some companies who think they work this way, the reality is very different.

Modern work is achieved through interconnected clusters of project, task and departmental teams. Employees may work across several teams and at different levels in each of those teams. This may keep office or plant life more interesting but the evolution of this way of working has become too complex for many of the systems most companies have in place to keep track of everyone and how well they're performing. A paper document printed once a year and used as an agenda in annual reviews is nowhere near sophisticated enough to track the multiple hierarchies that have grown up around us.

Managers need to realize this and fully research and gather the tools and intelligence they need to really get a full and accurate picture of how things truly are. Who is working in which teams? How is John Smith performing in each of those teams? Come to think of it, how is John doing against his goals for the year? Has he improved his communications with customers or is he 55 percent closer to meeting his sales quota? Misinterpreting these kinds of differences can leave employees directionless and unmotivated. Worse still, true star performers can much more easily be lost in the crowd, go unrewarded for too long and consider going elsewhere.

---

### ✦ What is the human cost of not fixing it?

In the past this subject may have made an important agenda for any HR process review meeting. Today, there's a far greater need for urgency. In an economy that's showing the worst employment market numbers since the end of World War II with layoffs in almost every sector across the board, new thinking that can tap into improved employee performance and quickly boost company productivity needs to jump off the page and kick start immediate change.

Businesses that have lost, or are losing staff to layoffs, are high priority candidates for examining the way they chart and measure employee performance. A recent survey of companies forced to lay off workers revealed that those companies experienced a further 2.5 percent employee turnover after layoffs, due in part, to employee uncertainty and fear. Survivors of layoffs need to be well managed which includes everything from being motivated, recognized and correctly rewarded. To do that, however, businesses must put the correct processes and tools in place. Do this, and it's likely you'll hold on to your top people and motivate them to produce more.

The other important issue to consider here is misplaced resources. It's not enough to know someone's a hard worker. If you know they are exceeding their goals you can increase workload or redeploy their skills in other critical areas.

“The first responsibility of a leader is to define reality. The last is to say thank you.”

Max DePree  
*Leadership is an Art*  
1989

# Taking Charge of Change

## II: Implementing New Systems

Knowing you have a problem is part of the solution. To start solving the problem and improve both the employees and the productivity of the company, managers must do two things: they must analyze and they must act.

In analysis, it's important to understand that there is a difference between how employees perform and what they achieve from that performance. And that newly refined definition of goals and performance must be communicated across the organization as a whole.

When it comes to action, the most forward thinking companies are turning to new ideas that redefine the notion of goals as SMART goals and implement new processes such as the Four Step Review Process to track more effectively against those goals. Let's take a look in detail at those two principles:

### ✦ Setting SMART goals

In redefining the roles of goals and performance criteria and effecting positive change, nothing is so critical to employee and manager success than the creation and implementation of SMART goals. S.M.A.R.T goals are ones that are specific, measurable, attainable by employees, relevant and time based.

Certainly, the 360-degree employee review was once heralded as a comprehensive performance assessment. It considered everyone and brought in everyone, right? But while that's admirably inclusive, it doesn't work for the new world of work and it encouraged too much subjective evaluation. This kind of process also assumes top down hierarchy and that the manager completing the final performance review of an employee is at the top of that structure. In reality, as we've discussed, employees work across teams and it may be entirely possible that the supervisor or manager has little or no interaction with those teams to form even the most general sense of performance. More intelligence is needed in the process.

Performance appraisal tools must be sharper, and they're coming. Advances in the popularity of software as a service, software provided over the Internet, is bringing a new wave of intelligent, user-friendly and intuitive tools that will at last give some real substance and value to the employee appraisal process. Managers and human resources professionals can now expect new products that create a distinct difference between goals and appraisal criteria: one based on task completion, the other an assessment of how well an employee works along the way. Or tools that provide a commanding, real-time overview of employees and their performance progress wherever they are in both an organization's formal hierarchy and ad hoc team or project groups.

“Don't you wish there was a knob on the TV to turn up the intelligence? There's one marked 'Brightness,' but it doesn't work.”

Gallagher  
Comedian

---

Think of redefining goals and performance as two steps: setting SMART goals and then linking evaluation methodologies to those goals. In performance management today, too much of the goal setting is mired in vague, undefined language and subjective review criteria. Goals that are ill defined – lacking completion deadlines and other metrics, for example – which should help benchmark progress against projects or tasks – make it very difficult for managers to assess employee performance. So if “improve sales” is an ill-defined goal across the sales force, the performance of each sales associate is measured on the “poor” to “excellent” scale at the discretion of each sales supervisor. There’s neither consistency in measurement nor enough detail in the setting of the original performance goal to objectively measure it.

SMART goals are ones that are specific, measurable, attainable, relevant and time-based. So by providing access to the new kinds of tools that use far more detailed and specific SMART goal setting, human resources professionals can help their managers unlock tremendous performance improvement. Instead of “improve sales” our sales associate would now be required, for instance, to improve the sale of certain product lines by an exact percentage within a given time frame – a goal both realistic for the employee and the business and one that must be achieved within a defined period of time. Sounds simple enough when put like this, but so many organizations forget the power of simplicity and directness in goal setting and are not able to objectively measure performance based on their goals.

The added advantage of using SMART goal methodology delivered by software as a service to the desks of both managers and employees is that bad managers have nowhere to hide. The specificity of the goal setting and unrivalled ability to track progress against those goals with an employee performance management software application delivered via software as a service as compared to paper systems, means weak managers can no longer hide behind the “satisfactory” appraisal or avoid confrontation by arguing the appraisal expresses the views of everyone, not really the manager.

---

## **FIVE TAKEAWAYS TO RETOOLING EMPLOYEE PERFORMANCE AND INCREASING EFFICIENCY**

- 1. Drive accomplishments not assessment for its own sake**
- 2. Communicate and ask for what you want – in real specifics**
- 3. Set timelines and follow-up meetings**
- 4. Monitor and track progress efficiently**
- 5. Tie rewards to performance**

# The Four-Step Review Process

---

There's little to be gained from more intelligent goal setting without improvements in your company's employee review process. Often businesses hinder the success of their own review system in two ways: the process doesn't have the full buy-in of all managers across the company and is often seen as a necessary but evil administrative exercise, and secondly, they don't implement the review program in a methodical way to ensure success. Rethinking and relaunching your employee review system in such a way as to ensure both enthusiastic buy-in and more informed output can overcome both hurdles. Here are the four steps:

## 1. Organizational Readiness

A company must be invested in a review process at all levels from CEO to intern. Your organizations must want to effect change as opposed to being simply willing to do it, and there needs to be a companywide culture created that emphasizes and validates the importance of evaluating and rewarding high performance.

## 2. System Integration

Whatever new process is implemented or technology shift is made to enable the change, one thing is for sure: there must be maximum integration. Managers and employees alike react poorly to change unless the user benefits can be easily recognized: improved daily work life, total ease of use and seamless integration into systems already used. Can you imagine office life without email or electronic calendars now? At one time those ideas and products were new.

## 3. Training

Managers and employees alike must be trained on any new process or system. They should all be using the same terms, language, buzz words and jargons and definitely using new tools in the same, productive way. Consistent messaging across company teams is vital to success. Employees compare notes and draw conclusions from any differences noted in the way change is communicated to them.

## 4. Evaluation

If you are implementing a new goals protocol and re-engineered performance review system, it's important to audit the progress. HR should take the lead on checking perhaps one to five percent of all employee reviews in order to ensure change has been effectively received and made to guarantee consistency across the company. In the long run, managers need to think differently – to look for ways to take advantage of the kind of real time, sophisticated data new employee performance technologies can provide.

# Putting Theory Into Action

There's always more you can do. Miscommunication is a virus: it can lie dormant in the body of an organization and rear its head if businesses don't stay vigilant and committed to the new program of change. Managers and employees must continually challenge each other to find new ways to live out the process changes implemented:

## ✦ **Communicate Better: Ask for What You Want**

With better-defined goals, comes more knowledge and accountability. Managers can ask for employees to step up their game if they are missing goals or assign new tasks if they're meeting goals, driving productivity up. Beyond this, better communication is essential in times of economic downturn or instability. Issues of misunderstandings or misinterpretations must be addressed immediately between employee and employer. If either waits, it will affect productivity and the stability of the relationship.

## ✦ **Set Timelines and Follow-Up Meetings**

We're working in a time critical environment. That said, employees and their bosses must determine realistic timelines for meeting these new goals. They must be achievable for the employee but still contribute effectively toward overall productivity and the departmental or business goals of the manager. It is also critical to set follow-up meetings a month after the review.

## ✦ **Monitor and Track Progress Effectively**

Paper documents and spreadsheets for managing goals and performance are now old school. They don't take advantage of the real-time, updatable interactivity of new software tools now available for both managers and their employees to monitor and track progress against SMART goals more effectively. New software products are available over the Internet for managers that allow them to immediately review any goals and the efforts to meet them at any point in time and for any or all of the multiple project groups or departmental teams to which an employee might belong. By accessing real time data both manager and employee can understand where midcourse corrections, more effort or additional resources may be needed.

## ✦ **Tie Rewards to Performance**

Even in a weakened economy, money – or a substitute for money – talks. Managers need to reward performance more than ever, and employees need to keep a firmer grasp on their achieved goals and other measures of workplace success. To do that each needs information at their fingertips and the confidence to have the discussion.

“So much of what we call management consists in making it difficult for people to work.”

Peter Drucker

# Summary

---

## Things To Take Away

At Achievance®, Inc. we've spent years thinking about all of this. We've stripped back the layers of the modern workplace and tried to analyze many of the root causes of downturns in company productivity, in relationship issues between workers and their supervisors and taken those insights to create a new solution.

Visit [www.achie Vanceinc.com](http://www.achie Vanceinc.com) and learn about AchievanceHR®, an employee performance management software application delivered over the Internet via software as a service designed specifically for busy HR professionals and front line managers who wrestle with these issues day in and day out. We've designed and built AchievanceHR from the ground up, taking into account the new world of work and the economic climate in which companies must maintain their productivity, enhance their performance and reward their highest performers well.

We're a company motivated by developing practical takeaways from theoretical problems and issues. AchievanceHR is our answer to miscommunication and misinterpretation in the complex new world of work.

---

## About Achievance®

Achievance, Inc. produces best-practice, on-demand human resource software solutions. With more than 25 years of human resource and software expertise, the company brings clients a simple, affordable, and easily configurable solution—delivered as an online service—to allow managers the ability to get back to running their business. For more information about Achievance, please visit [www.achie Vanceinc.com](http://www.achie Vanceinc.com).



Achievance, Inc. | 763.323.9200 | [www.achie Vanceinc.com](http://www.achie Vanceinc.com)

Copyright 2009. Achievance, Inc. All rights reserved. Achievance, the Achievance logo and AchievanceHR are all service marks of Achievance, Inc. All other brand and product names are trademarks or registered trademarks of their respective holders.

09.1001\_Communicate\_WP\_03/09