

# PUT PLANS INTO *ACTION*

Tie employee goals to business objectives.

By Adrienne Fox

**A** typical goals-driven business process usually goes something like this: Once a year, leaders gather to strategize about business objectives. A year later, they review outcomes and start the process again.

Unfortunately, they sometimes leave implementation to chance. But what happens between goal setting and outcome review should be given careful thought so that all employees stay on track.

"Goals are the most important tools that companies use to get things done," says Dennis Zeleny, an HR consultant in Wilmington, Del.

Goal implementation "is not an incentive-setting process, it's a direction-setting process," says Clinton Wingrove, executive vice president at Pilat HR Solutions, a technology consulting firm in Whitehouse Station, N.J. Goals "should be used to

---

*The author, a contributing editor and former managing editor of HR Magazine, is based in Alexandria, Va.*

monitor and change behavior, not solely to produce an output.”

## Communication

Zeleny says frequent companywide and individual communication about goals—and progress toward meeting them—is vital.

Wingrove agrees: “You could have the best goals that are the most aligned, but if no one is talking about them, they mean nothing.”

The typical performance review process doesn’t encourage frequent communication around goals because conversations take place only at midyear and year-end, Wingrove says.

Managers have been taught how to communicate with employees about goals during infrequent one-hour performance reviews, Wingrove notes. “We need to teach them how to have daily, 10-sentence conversations,” he says. “We need to tell managers that each time you speak to an employee, either virtually or in person, you need to do one thing that moves him toward achieving a goal.”

Technology can prompt these conversations, provide conversation starters, generate feedback about employee concerns and monitor who is having the conversations, Wingrove says.

At Mitchell International, a software service provider in San Diego with 1,700 employees, the company’s software engineers use the “agile” software development approach of collaboration and adaptability. The HR department adopted that approach for goal implementation.

“Communication, collaboration and expectations are what drive the awareness of strategic imperatives” for employees, says Tom Greifendorff, Mitchell’s manager of talent acquisition.

Clarity around goals begins when employees enter performance objectives into the performance management technology tool. In addition to midyear and year-end reviews, a template guides one-

## Common Components for Goal Achievement

Many experts have developed complex management systems for meeting corporate goals, but they often feature common elements. Dennis Zeleny, a Wilmington, Del.-based HR consultant, points to five important factors that lead to goal implementation.

**Communicate the goals.** Goals signify to employees what is important. “If you want to keep employees focused on what is most important, then constantly communicating those priorities—and only those priorities—is a must,” Zeleny says.

**Plan the implementation.** Create a plan that breaks down the implementation into small parts. Goals must not be set at the beginning of the year and then

reviewed at the end. “That’s like a coach waiting until the end of the game to give feedback on the level of playing,” Zeleny says.

**Require accountability.** Like a sports team, “everyone needs to know what their role is and how they contribute to the overall performance,” Zeleny explains.

**Orchestrate the process.** While employees are busy playing their roles, someone needs to oversee how all the players fit together. That’s an HR professional’s job, according to Zeleny.

**Measure the progress.** Track progress of goals throughout implementation. “If you don’t track and measure it, you can’t intervene and course-correct,” Zeleny says.

on-one discussions between managers and employees. The template provides space to list goals, note progress, and identify obstacles or resources needed as well as employee development plans. Managers typically use the template at least every two weeks to facilitate conversations.

HR disseminates communications about initiatives that support the yearly corporate goals, says Mary Grace Kristian, Mitchell’s vice president of HR.

“We lay out a plan for communicating an initiative, set the key milestone dates and communicate only the action that is needed when it is needed,” she says. “We have seen a tremendous response from this style of communicating.”

Culture dictates communication about goal implementation at Polycom Inc., a video-collaboration solutions provider in San Jose, Calif., with nearly 4,000 employees in 34 countries. “We do a lot of video communications and meetings because it’s what we do,” says Daniel Sonsino, vice president of talent

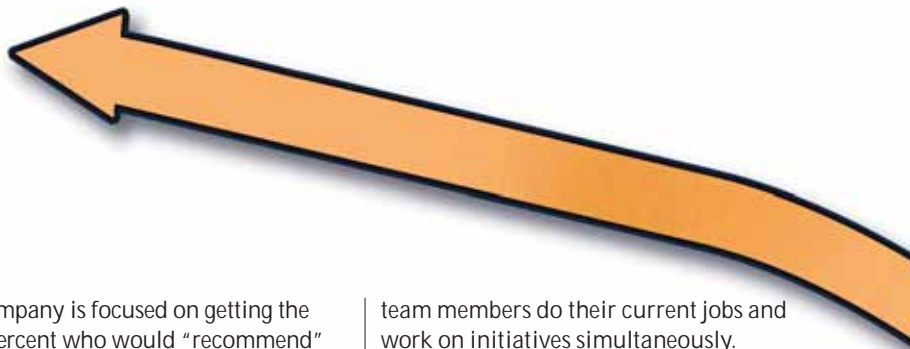
management, learning and development. “For other companies, software may work better; for others, face to face may be the only way.”

Polycom’s leaders pare down priorities so employees’ efforts can be well-focused. “We are very clear about our five big priorities for the year that are critical for achieving the profits, customer satisfaction and market differentiation,” Sonsino says.

One of Polycom’s goals this year is to hit a certain revenue target. “Of course, the sales organization will be critical to achieving that goal, but engineering also must deliver the products on time with high quality, and marketing needs to understand the new products to tailor its efforts,” Sonsino explains. “Each function plays a role in meeting the overall revenue objective, and everyone knows what it is. So each functional head will look at the five big priorities and discuss with and set goals for employees that support the priorities.”

Sonsino creates written toolkits to





help managers talk about the initiatives with employees. “The toolkits provide talking points about their status, along with the ways each department can accelerate performance,” he explains. “Our CEO also conducts quarterly video calls with the top 400 executives, and he disseminates ‘top of mind’ videos on a regular basis to all employees to communicate priorities.

“None of this is rocket science, but it does require discipline and focus,” Son-sino adds.

## Planning

At Tornier, a medical device manufacturer based in Amsterdam, cross-cultural teams implement goals. The company has grown through mergers and acquisitions since 2006 and now has 900 employees in the Netherlands, the United States, France and Ireland. When Greg Morrison came on board in 2010 as vice president of HR, he began creating a foundation for a high-performance culture.

Tornier’s leaders now identify the “vital few” initiatives—a handful of annual corporate goals—using data from three constituencies: employees, customers and shareholders. Employee engagement surveys, customer satisfaction surveys and financial performance data paint a picture of the company’s current status. The executive team then uses that data to establish goals that will move the company from its current status to its desired state.

The corporate goals are translated into an overall “success tree” for the company, and an individual success tree is prepared for each employee.

For instance, Morrison’s 2013 success tree includes the company’s mission and HR’s mission at the top. The corporate growth strategy is on the left-hand side and states “Become the No. 1 extremities company in the world.” The success tree lists the percentage of Tornier’s customers who recommend the company. The goal is to reach 100 percent. This year,

the company is focused on getting the 36.4 percent who would “recommend” the company to “strongly recommend” it. Printed next to the company’s current status and desired state are related corporate goals that support the customer satisfaction goal: creating a clinically proficient sales force and increasing internal responsiveness among functions. Leaders in each function, including HR, determine how their teams can best contribute to corporate goals.

To motivate employees, the metric that measures whether employees “would recommend Tornier as a place of employment” needs to move from 64 percent toward the goal of 100 percent. To close that gap, each department’s goal is “investing in ourselves.” To that end, Tornier’s HR team will create an internal job posting process and work to increase executive business communications to employees.

Teams of eight to 10 top performers come together for 45, 60 or 90 days to create a plan for implementing initiatives. Once approved by the executive team, implementation can take six to 18 months, depending on the complexity of the initiatives, Morrison says.

Tornier’s leaders apply all necessary financial and people resources toward the vital few initiatives. Some team leaders step out of their current jobs to contribute to initiatives. Other leaders and

team members do their current jobs and work on initiatives simultaneously.

At the University of Maryland Medical System, a multihospital system based in Baltimore with 15,000 employees across Maryland, Chief Human Resource Officer Candy Knowles, SPHR, takes what she calls a “Moneyball” approach to help business leaders achieve goals. As was the case in the 2011 movie chronicling how a Major League Baseball team started relying more on players’ statistics than on scouts’ instincts, Knowles says data are king when implementing goals and measuring results.

Knowles and her staff use the Talent Link platform by Strategic Management Decisions to harvest HR data—including engagement survey scores, turnover and performance management ratings—and then connect the data to business outcomes. The approach is from *Business-Focused HR: 11 Processes to Drive Results* (SHRM, 2011) by Scott P. Mondore, Shane S. Douthitt and Marisa A. Carson.

The tool prioritizes HR interventions that will have the biggest business impact, and HR creates action plans around that information. “We don’t use cookie-cutter HR metrics to build goals,” Knowles notes. “We always have priorities for each system based on level of business impact. We provide managers

## A Branch from a Success Tree

Like all employees at medical device manufacturer Tornier, Greg Morrison, vice president of HR, has personal goals in the form of a success tree. Here are two of Morrison’s goals that support the department’s goal of “investing in ourselves” to increase employee motivation.



### Desired State:

100 percent of employees would recommend Tornier as a place to work.

Motivated Employees

### Current State:

22 percent would strongly recommend.  
42 percent would recommend.

### Department Goal

- Investing in ourselves.

### Personal Goals

- Creating a global internal job posting awareness and process.
- Executive sponsor—business communication cascade.

with data that show them exactly where to focus. And we have an HR team that understands the data and analytics and is armed with the same information as the groups they support—so that they can be a true business partner.”

Knowles and her HR team give managers “meetings in the box,” which pinpoint top HR-related priorities that have the highest degree of business impact, as well as tips on how to have conversations with employees about them. “We can show which ones—only one to three things—are most important for the business,” Knowles says.

### Accountability

At Vail Resorts in Broomfield, Colo., transparency leads to accountability. For Chief People Officer Mark Gasta, it’s the main way to keep every employee moving toward the same goals at the diverse company of ski facilities, transportation services, retail outlets, food services and hospitality operations in six locations. Seasonal employment peaks at 18,000 employees in the winter.

Last year, Gasta mobilized the C-suite to create VR2020—a vision of the company for the year 2020. The executive team came up with four clear long-term goals. Then came the hard part: “We had to discuss where we are today and what we needed to achieve each year at each level at each function,” Gasta explains. Every year, senior leaders establish five shared employee goals that every functional area has some role in. Using a technology platform that cascades and aligns goals, all associates must align their annual goals with VR2020.

“We went to all the managers and talked to them about their goals for VR2020 and how their employees will help us get there,” Gasta explains. He says the level of transparency is high because “the value in sharing the information openly and trusting our employee population far outweighed the risk of it getting to our competitors.

“Business leaders file a week-in-review status report to share the metrics important to their functional areas,” Gasta continues. The HR team reviews and shares each function’s status—including the HR department’s status—on achieving goals.

The HR team is working to ensure the company’s talent and leadership pipeline remains full. The information technology department holds ongoing workshops to identify future needs, with the goal of meeting the increasing technological demands of the company and its tech-savvy customers.

“People want to understand how their job is contributing to the larger whole,” Gasta notes. “They want to be enlisted in that shared vision and to be a part of something bigger than their individual role. So many organizations don’t articulate this, and that makes it impossible to galvanize their workforce.”

HR professionals at small employers may not have the resources for this type of technology, but Gasta says that he could translate his processes on paper even if he didn’t have technology funding.

Stonegate Designs is a small family-

## Keep Focused on Moving Forward

Success trees and stoplight graphics do much more than set goals and track progress of Tornier’s “vital few” initiatives—the company’s annual goals. They serve as visuals to spark conversations about initiatives, hold people accountable and keep employees focused, according to Greg Morrison, Tornier’s vice president of HR. “The success tree allows us to eliminate all those things that don’t add value,” Morrison explains. “It creates pressure on leaders because other people will say, ‘We shouldn’t be doing this because it’s not a part of our success trees or our vital few initiatives.’ ”

Any company of any size can create a version of the success tree or a template or a “meeting in a box” that fosters goal implementation. But once you create your version, commit to it, Morrison advises.

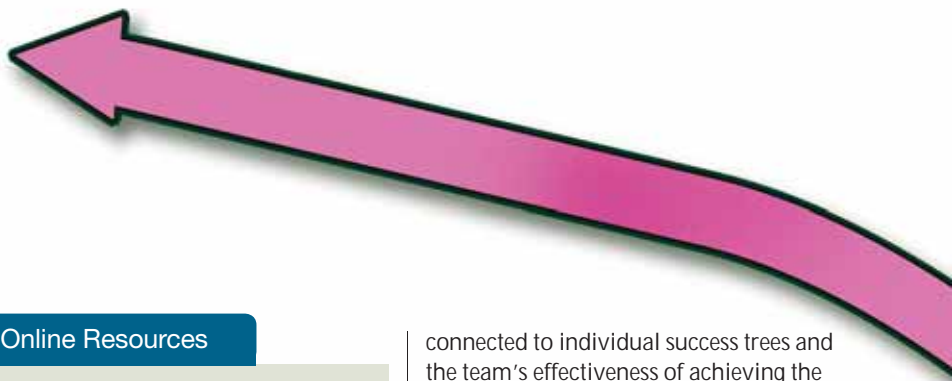
He meets weekly with Tornier teams and gives them a monthly stoplight assessment, which he provides to the executive team. The assessment indicates the teams’ progress on the initiatives: Green means progress is good, yellow means caution

is warranted, and red indicates that the initiative is behind schedule.

“It was embarrassing at first to pull it out at every meeting,” Morrison acknowledges. But the system has changed the impact Morrison has on the business. “The shift was having total alignment in the organization and having every person able to articulate what they are doing to get the organization to the desired state.”

Tim Cahill has seen the change at Tornier firsthand, from when it was a small French company to when it went public in 2011. His role morphed from director of marketing to director of marketing, communications and medical education initiatives.

Cahill says the success tree system and the resulting alignment and awareness of corporate priorities have positively transformed the culture. “Greg’s system provided a foundation,” Cahill says. “It’s easy to set goals at the beginning of the year and lose focus while putting out fires. HR keeps us focused on moving the vital few initiatives forward.”



owned business looking to become a world leader in innovative lighting design. The firm has 55 employees in two manufacturing plants and a distribution center in St. Joseph, Mich. For Bonnie Tenbarge, controller and HR leader, the corporate directive was to implement initiatives while maintaining flexibility for innovation.

To that end, Tenbarge studied goal calibration and cascading. "We wanted to make sure there was no overlap in accountability of goals, because if you have more than one person held accountable for a task, then you have no one accountable," she says. "Often in meetings, someone will say, 'Who owns this task?' At Stonegate, managers discuss who owns what goal, the goal timeline and how the goal will be achieved. The action plans are designed by those who are carrying them out.

"Each team uses visual aids to monitor performance, suggest improvements, adjust the plan or agree to start from the beginning because more development is needed," Tenbarge continues. "We try to maintain transparency around the projects so that we know what is happening, what resources are needed to accomplish the goals."

One of the company's overall goals is to improve efficiency and reduce waste. To support that goal, employees are developing and implementing a more systematic approach to control inventory as well as ways to reduce and reuse product material waste.

As for innovation within the structured framework, Tenbarge says she has been pleasantly surprised. "Having the processes in place has freed up employees for innovation because everyone knows what to do," she explains.

## Orchestration

For the life cycle of goals and objectives, Stonegate has a process of plan, do, check and act:

- Plan the course of action.
- Do the action.

## Online Resources

For a link to the national standard on performance management, and for more information on aligning employee goals with an organization's strategic initiatives, see the online version of this article at [www.shrm.org/0413-align-goals](http://www.shrm.org/0413-align-goals).

- Check the outcome of the action.
- Act on the feedback to improve the process.

"We are constantly readjusting the strategies," Tenbarge says.

If initiatives veer off course, Tenbarge looks at individual or team performance, the process or the resources allocated to determine the breakdown. "With this system, we can intervene and course-correct a lot quicker," she says.

This is an example of orchestration of goal implementation, Zeleny notes. "HR needs to be a proactive partner and to intervene and speak up when managers need the help," he says.

Polycom defines quarterly metrics to determine if initiatives are on track to reach year-end targets. "If we discover that one project is behind and another project is ahead, then we do some horse trading," Sonsino says. "We will move people around and resources around to make sure each project has what is needed. Or, if necessary, we will adjust the goal and reset expectations."

At Tornier, HR professionals are heavily involved in overseeing initiatives, Morrison says. "Each team meets with me on a weekly basis and we make a spotlight assessment, which tells us if things are on track or if we need more resources," he explains. At each weekly meeting, Morrison assesses the team with a green, yellow or red light. Green means the team is ready to present to the executive team, yellow means the team is making progress but work is not complete, and red signifies obstacles have arisen and the team needs more resources to keep the initiative moving forward.

"The performance management tool is

connected to individual success trees and the team's effectiveness of achieving the goals," he says.

## Measurement

The University of Maryland Medical System's score on the Hospital Consumer Assessment of Health Plans Survey is essential to its business. Last year, the federal government tied Medicare reimbursements to hospitals' performance on the assessment, a nationally standardized survey that measures how patients perceive the care they receive in hospitals.

Therefore, the health system's overall business goal is to raise its survey scores. In HR, Knowles is correlating employee engagement data with those scores to identify engagement factors that lead to higher scores for each hospital and each hospital division. "Once we identify those, HR will begin action plans next year to enhance those employee engagement numbers," she says.

"Customer surveys are great tools if they are connected to employee goals," Wingrove adds. "The employee will study that list of survey questions and know beyond a doubt that those are the things she should be doing well."

At Tornier, where teams identify the current state and recommend the desired state of the vital few initiatives, results are measured differently. "For every initiative, we survey before planning and measure the results after implementation," Morrison says.

HR goals and metrics vary for each company. "What drives productivity at Google is going to be different from what drives productivity" at the University of Maryland Medical System, Knowles notes. "It is critical for the HR function to use analytics and technology to uncover the unique people drivers in their own organization and then build goals, initiatives and metrics around that. If they do that, HR credibility at the senior level and the front line will be very easy to obtain." ■