# Performance Review Cycle

# Setting Goals and Expectations

for Managers

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Goals of this Course

* Understand effective performance management and recognize its importance and benefits
* Identify your role and responsibilities related to performance management, starting with setting goals and expectations with your employee(s)
* Learn the best practices of goal setting

Performance Management

The process of **setting expectations**, **aligning goals**, **assessing results**, and **focusing on staff development** through ongoing conversations between managers and their direct report(s).

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| Setting Expectations | The process of discussing what is expected from an employee in terms of job roles and responsibilities  |
| Goals and Objectives  | Desired results each employee aims to achieve, determined based on conversations between managers and employees |
| Goal Alignment | Process of ensuring individual goals support the achievement of department goals and department goals support the achievement of University goals  |
| Feedback & Development | Focus of the conversations between managers and employees in determining strengths, opportunities for improvement, and how to grow and develop |
| Assessment | Review of goals, objectives, and other factors, and the determination of the level of successful achievement |
| Performance Calibration | Process in which supervisors and managers at the same level in an organization discuss staff performance ratings and outcomes to ensure ratings and development messages are applied consistently across the University |

Principles for Effective Performance Management

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| **1** | Should be an ongoing process of setting expectations, executing plans, and evaluating results. |
| **2** | Expectations should be explicit and mutually understood. |
| **3** | Engagement is increased when people are involved in planning the work. |
| **4** | How work gets accomplished is as important as what gets accomplished. |
| **5** | Regular, honest feedback increases understanding and positive performance. |

Organizations that are considered best-in-class for performance management\*:

* Understand that performance management is on-going, with at least monthly discussions between employees and their supervisors.
* Believe that performance management is an opportunity to foster employee growth.

Notes:

\*Source: Aberdeen Group-- Is Employee Performance Management Performing?

Setting Goals and Expectations

Step One: Discuss and document job responsibilities (optional)

The purpose of the Job Responsibilities Worksheet (JRW) is to document the current responsibilities of a position. It focuses on a specific position (not the incumbent); provides details regarding the job duties and required competencies; and outlines the job scope. The information provided in the JRW will be used to ensure the position is properly classified and evaluated.

Step Two: Set Goals

**Cascading Goals**

Managers can cascade unit goals to their teams or individuals on teams. The goals should align with College/Department/Campus/University goals. The cascaded goal(s) should:

* Should align with organizational strategy – have a clear purpose and focus
* Determined prior the start of the Performance Review cycle
* Be communicated effectively
* Entered in Workday – [Job Aid](https://psuportal.neocaseonline.com/Default.aspx?PageId=1010&secureTId=gycXDlYr3dMF3JhlTXWvtaFLqlTAyA6GWU7KOpN8iCf9HCpax3knB/wChR7dSk3V)

It is important for your employee to write specific goals for the year ahead.Document expectations clearly and thoroughly. Together with your employee identify 2-5 specific goals, using the S.M.A.R.T. model to cross-check for completeness and clarity.

**The goals should focus on:**

* Moving the business forward, consistent with business/functional goals **and/or**
* Improving current individual and team performance.

Types of Goals

###### **Quantitative Goals:**

These goals describe the “what” of performance and define an expected result, so it is clear whether the goal has been achieved. These results are typically linked to success measures for the specific department in which the employee operates.

###### **Qualitative Goals:**

###### *Behavioral Goals (i.e. linked to competencies)*

These goals describe the “how” of performance and focus on skills that are necessary to accomplish the quantitative goals mentioned above.

###### *Developmental Goals*

These goals include any specific activities that will improve or enhance performance.

###### *Professional and Career Aspirations*

These goals are designed to encourage you to define long-term goals and create a plan to realize those goals. Work with your supervisor to define your career goals, the positions that best fit those career goals and how you can maximize your strengths to achieve your goals.

Setting Goals and Expectations

S.M.A.R.T.: The Key to Setting Clear Expectations and Goals

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| **S**pecific: | The goal to be met must be concrete, not just a general statement of direction. |
| **M**easurable: | Whether qualitative or quantitative, there must be a way to assess whether the goal has been met. |
| **A**ttainable: | All goals should be within the reach for the employee but should include some “stretch.” Performance measures used should be ones over which the employee has direct or indirect control. |
| **R**elevant and **R**esults Oriented**:** | Goals should easily link to both team/unit and Penn State strategic imperatives. |
| **T**ime-bound**:** | It should be possible to periodically assess the status of their progress towards meeting the goal. |

Writing S.M.A.R.T. Goals

**Use these questions as a guide:**

**Specific:** What will the goal accomplish? How and why will it be accomplished?

**Measurable:** How will you measure whether the goal has been reached?

**Achievable:** Is it possible? Have others done it successfully? Do you have the necessary knowledge, skills, abilities, and resources to accomplish the goal? Will meeting the goal challenge you without defeating you?

**Results-focused & Relevant:** What is the reason, purpose, or benefit of accomplishing the goal? What is the result (not activities leading up to the result) of the goal? Is the goal relevant?

**Time-bound:** What is the established completion date and does that completion date create a practical sense of urgency?

Setting Goals and Expectations

 **Feedback Exercise:**

1. Write the initials of the people that you work with in each light blue circle. This may include direct reports, peers, managers, customers etc.
2. Then for each person, answer the following questions:
	1. Are you comfortable providing them with direct, constructive feedback?

Yes – draw solid arrow from you to their circle
No – draw dashed arrow from you to their circle

* 1. “Are you comfortable receiving direct, constructive feedback from them?”

Yes – draw solid arrow from you to their circle
No – draw dashed arrow from you to their circle

Effective goals are S.M.A.R.T.

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| **Example** | **A good start** | **S.M.A.R.T. finish** |
| **If the focus is to reduce department expenses…** | Lower department expenses. | Reduce department expenses by 1-2% by March 31, 2020 by following the new departmental purchasing procedures. |
| **If the focus is on an IT project…** | Complete new system implementation.  | Complete and implement the new ERP system by February 1, 2020 through effective collaboration across IT functions and cross-functional teams. |

Take a moment and think about what’s most important for your department to achieve in the next 6-12 months.

1. What’s the focus of the department goal?
2. Now, think about what you can do to help make that department goal a reality. In general, what action could you take?
3. Time to get S.M.A.R.T. Use the space below to fill in the important details:

Common Pitfalls

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| **Pitfall** | **Solution** |
| **Too many goals** | Limit the number of annual goals to 2 – 5 to ensure focus on the most important results. |
| **Unclear accountability** | Clarify who is accountable for achieving the goal—especially important in teams or where work is highly interrelated. |
| **Unclear expected results or measures** | Clearly describe the qualities or measures of the expected results to reduce ambiguity. |
| **Unrealistic expectations** | Goals should be achievable and if long-term, the goal should be broken down into small milestones. |

Next Steps for Setting Goals and Expectations during the months of October and November 2020

Meet with your employee to review your Job Responsibilities Worksheet (JRW) and to identify 2-5 goals that they will work towards achieving during the current performance cycle.

After the meeting:

1. After the JRW updates have been submitted, approve them in the JRW system.
2. After your employee enters their goals into Workday and submits for your approval, you will go into Workday and approve them (goals will be reviewed at monthly check-in meetings and then will be rated as part of the End-of-Year Review).

*Remember to**meet with your employee on a regular basis to discuss their progress towards goal achievement, professional development activities and to review what’s going well and any areas of difficulty or concern and document the meeting in Workday.*