

# **SETTING OBJECTIVES**

**7 Ground Rules for  
Better Performance  
Management**

**by  
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Trainer's Guide by Gill Peeling**

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# Acknowledgements

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Fenman Training would like to thank John Slater and Peter Packard for their contribution to the *Setting Objectives* training programme, in particular for their kind permission to use the Performance Management Cycle in the trainer's guide.

Fenman would also like to thank the following for their help in putting the programme together:

H J Whitehouse, for helping with the basic material for the programme.

Brixton Benefits Agency (Social Funds Section)

Noble House, Woolwich

Morris Baker, the crew and actors who all helped to make the film possible.

# Introduction

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## What Need Does This Programme Address?

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Setting objectives is good for business - and good for morale - because it gives people clear, precise targets to work for. It motivates people and it enhances productivity.

This view of objective setting is supported by a number of research findings<sup>1</sup>, which showed that:

- people will work more readily towards an organisation's goals when they are aware of what those goals are
- people will be more committed to organisational (or departmental) goals when they have participated in setting those goals
- organisations in which people have clear personal goals are, in general, more productive and profitable.

Setting objectives, then, is an important part of the management function. But to do it well requires considerable skill and understanding. What this programme aims to do therefore is to help managers develop the particular skills they will need in order to set objectives effectively.

The programme aims to develop managers' ability in setting personal objectives for themselves as managers. It aims also to develop understanding of the role which managers must play in coaching staff members through their own objective setting process.

## Learning Objectives For The Programme

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*Setting Objectives* has been devised and written with four practical learning objectives in mind. These are that participants will be able to:

- state the advantages, at an individual and at an organisational level, of setting clear objectives.
- explain the role of objective setting within the performance management process.
- explain the importance of making objectives measurable.
- write good, clear, measurable objectives.

<sup>1</sup> Humble, Drucker et al.

The programme uses a mix of video and print based training materials, which you can use in our suggested plans or build into a training plan of your own.

# How to Use this Pack

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## **What The Pack Contains**

The total package consists of the following:

- drama video (approx. 20 minutes)
- trainer's guide
- masters file.

These materials can be used in combination to create a complete workshop on setting objectives. They are entirely flexible and can, if you prefer, be used just as effectively with other materials designed specifically for your organisation.

### **The Drama Video**

This uses a drama presentation to illustrate and explain the key concepts behind the objective setting process.

The video provides a clear overview of 7 ground rules for objective setting. It also contains a mixture of illustrative scenes which you can use separately and very effectively for structuring group discussions. As an example of this, Learning Activities 5 and 6 are based around specific scenes taken from the drama video. The trainer's notes that accompany these activities contain plenty of supporting information and should prove a useful model, if you want to design your own video-based discussion activities.

### **The Trainer's Guide**

This contains the following:

#### **Session Plans**

We have suggested several different training plans, as the amount of time available and level of experience of the participants will obviously vary from one programme to another.

#### **Learning Summaries**

These have a dual purpose. Firstly, they are a useful source of reference for you, the trainer; read the learning summaries and you should feel able to deal with most questions people will ask you about the objective setting process. Secondly, the learning summaries make very good handouts; make photocopies and distribute them at the end of relevant sessions, as a summary of the key issues.

#### **Discussion Activities**

These are trainer facilitated discussions which aim to



stimulate thought and learning, but without offering too many prescriptive solutions.

### Practice Activities

These provide an opportunity within the training environment for participants to practise and develop their objective setting skills, using real work place objectives to do so.

### **The Master's File**

This contains master pages for all the handouts and OHP transparencies you will need for the activities - plus one or two extras to help you with your explanation of the basic concepts.

## **Relevant Training Applications**

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The ability to set good objectives is a core management skill. Effective objective setting is what gives structure and direction to both business and people development.

Training in objective setting skills is therefore especially relevant to the appraisal and coaching processes.

### **Objective Setting and Appraisal**

More often than not, performance appraisal is something which takes place for just two hours, once or twice a year. Once out of the way, it is written up and often forgotten about until next time. In fact, the appraisal interview should be the springboard for year round objective setting and year round performance improvement.

The appraisal interview provides an opportunity for manager and job holder to agree the parameters and extent of personal development they will aim to achieve during the coming year. Objectives are just one of the means by which the job holder and manager will go on to implement and monitor this development throughout the year, in readiness for the next appraisal.

### **Objective Setting and Coaching**

One of the most important roles played by any manager is that of coach. Coaching is about the skill of using day-to-day work as a learning experience. Objectives are primarily concerned with performance improvement - hence there is, quite naturally, a link between the manager's responsibility as coach, and his or her ability to steer people towards good, worthwhile objectives.

## **Session Plans**

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The following are suggested structures which you may find useful in your development of objective setting programmes.

The Session Plans are all built around materials contained in this resource pack. We have indicated the length and level of each Session outline, so you can choose the one which best fits your group and the time available for training.

### **½ Day Workshop : Introduction to Objective Setting**

For new or junior managers.

Refresher course for more experienced managers.

START TIME	ACTIVITY NO.	WHAT HAPPENS	TIMINGS (Approx.)
09.00	Discussion 1	Define "objective"	00.30
09.30	Discussion 2	Video: ground rules for objective setting	00.50
10.20	Break		00.20
10.40	Discussion 3	Comment on examples of objectives	00.40
11.20	Practice 4	Draw up Action Plan for 3 real, work place objectives.	01.10
12.30	Close		

### **1 Day Workshop: Developing Competence in Objective Setting**

A more detailed workshop which aims to enhance understanding and to give some practice in objective setting.

For managers at all levels.

START TIME	ACTIVITY NO.	WHAT HAPPENS	TIMINGS (Approx.)
09.00	Discussion 1	Define "objective".	00.30
09.30	Practice 1	Define between performance standards and objectives.	00.40
10.20	Practice 2	Practice in measuring objectives.	00.40
10.50	Break		00.20

START TIME	ACTIVITY NO.	WHAT HAPPENS	TIMINGS (Approx.)
11.10	Discussion 3	Comment on examples of objectives.	00.40
11.50	Discussion 4	Video: manager's role in objective setting process.	00.30
12.20	Discussion 5	Video: manager's role in objective setting process.	00.30
12.50	Lunch		00.40
13.30	Discussion 2	Video: ground rules for objective setting.	00.50
14.20	Practice 3 (20 min break at ½ way stage)	Identify key result areas, performance measures and objectives for own job.	02.30
16.50	Close		

### **2½ Hour Video Discussion: Manager's Role in Objective Setting**

This session concentrates on drawing out as many issues as possible. It aims to increase understanding of objective setting by encouraging participants to learn from each other in group discussion.

This video session can be slotted in as a ½ day input into a longer workshop on objective setting. It is a useful refresher session for managers who have already had objective setting training, but who want to be reminded of the issues.

START TIME	ACTIVITY NO.	WHAT HAPPENS	TIMINGS (Approx.)
09.00	Discussion 1	Define "objective".	00.30
09.30	Discussion 4	Video: manager's role in objective setting process.	00.30
10.00	Discussion 5	Video: manager's role in objective setting process.	00.30
10.30	Break		00.20
10.50	Discussion 2	Video: ground rules for objective setting.	01.00
11.50	Close		

### **Practice Session: Guided Objective Setting**

The aim is to provide a controlled environment in which managers can work on their objectives and coach each other to improve. The trainer's contribution is purely to facilitate the session. The session assumes that participants will have prior knowledge of the concepts involved in objective setting, and so would not be suitable for new or inexperienced managers.

START TIME	ACTIVITY NO.	WHAT HAPPENS	TIMINGS (Approx.)
09.00	Discussion 3	Comment on examples of objectives.	00.40
09.40	Practice 3 (20 min break at ½ way stage)	Identify key result areas, performance measures and objectives for own job.	02.20
12.00	Practice 4	Draw up Action Plan for 3 real, work place objectives.	01.00
13.00	Close		

# Learning Summary 1

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## What Are Objectives?

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### **Objectives and Performance Improvement**

An objective is a performance goal or target. It is a specific result or situation that a job holder expects to achieve within a defined time frame.

Objectives are essentially concerned with bringing about improvement, i.e., with progress and development of performance. This improvement can be in the areas of:

- operations
- communications or relationships
- personal development.

An example of an operational improvement would be: “to reduce inventory costs by 2% from their current level, over a time frame of two months.” Clearly it must be understood that the cost reduction does not also effect a reduction in quality or service!

A communications improvement would be: “to have successfully installed the product design feedback process, involving both the marketing and R&D departments, within the next two product launches”.

A personal development improvement would be: “within the next three months, to prepare and, after approval, to complete a press launch for at least one new product range”. Note that the manager does retain some control over the way in which the objective is achieved.

It's important to note that any objective, however appropriate at the time, may become less appropriate as time moves on and the environment changes. Good objective setting practice requires both the job holder and the manager to be flexible in their approach to the objectives they have set, and not to stick rigidly to defined targets which are no longer relevant or practicable. So, objectives of all kinds must be regularly revisited and reviewed, in order to ensure they will still effect an improvement.

### **Objectives and Performance Standards**

Objectives should not be confused with performance standards.

A person's job description describes their functional and professional responsibilities, and performance standards are the criteria against which their ability to fulfill these requirements is measured.

Performance standards define the level (quantitatively and qualitatively) of performance required of an experienced holder of that job. Individual holders of the job can fall short, meet or exceed the performance standards.

Objectives, on the other hand, are concerned with bringing about improvement in how the job is currently done. They are the goals which, in consultation with their manager, a job holder initiates to become increasingly effective and good at their job. They describe actions aimed at improving the way in which that person presently meets the standards of performance required of them.

An individual falling short of the standards required could reasonably be given objectives which aim at raising their performance to the required level.

For example:

A person working in the Accounts Department is responsible for producing monthly expenditure reports.

The performance standard against which they will be measured is that an accurate report must be presented to all interested parties within five working days of the end of the month.

The volume of data is increasing steadily, so that the work now takes three days to collect. This leaves only two days to collate, prepare and present the report. This does not allow for any contingency or unforeseen delay.

Both the job holder and the manager are concerned that soon there will be a shortfall in performance, and they agree that something needs to be done therefore, in order to prevent this happening. So they set an objective to improve the current method of work.

If the manager imposes a target such as "maintain the current level of performance" then that is not a fair expectation; the volume of work has changed, so performance levels can only be maintained if there is a change in the way the task is done. The alternative would be for the job holder to work extra hours to deal with the volume increase. This is exploitation rather than objective setting!

Setting an objective such as "automate the data gathering process within the next three months" gives too much freedom, may be expensive or impossible, and may have an impact outside the department, with work implications for people elsewhere in the business. The objective needs to be more constrained and focused than this.

A good objective for this particular problem would be: “within the next two months, to review the current data gathering and handling process, to identify bottlenecks and make proposals to enable 50% more data to be handled with the same human input.” This objective recognises a current shortfall in performance, but identifies action to make sure the situation does not deteriorate.

This is a good example of an objective for the following reasons:

- it gives the job holder freedom of thought and approach, yet it is sufficiently constrained to be achievable by that one individual.
- it does not prejudice the outcome although it might, after the presentation, become part of a larger issue.
- it has a measurable outcome.
- it was identified by both the job holder and the manager. So the job holder ‘owns’ the objective, and is committed to it.
- the time component is neither too long nor too short. Too long a time span means the objective loses importance and gets forgotten. Too short a time span makes the objective impossible to achieve.

### **Objectives and Continuous Personal Development**

The example given above shows how objectives can be used to address deficiencies in performance. But objectives are just as important where the job holder consistently meets or exceeds the standards required.

A job holder who consistently meets or exceeds required performance standards for the job they are doing will soon get bored, demotivated and disinterested with the job. As a result, performance may fall off as the job becomes increasingly routine and lacking in stimulus for the job holder.

If the job is too easy then the job holder needs to work with the manager to make it more challenging. And this is where personal development objectives come in.

There are two ways in which you can set personal development objectives:

- you can set objectives to extend the operational span of the job holder, i.e., to increase the parameters of their job.
- or you can set objectives to extend the personal abilities of the individual, without changing the shape of the job.

### Extending the Parameters of the Job

In the example we gave above, the job holder was required to research into and advise on the possible installation of new data handling systems. In the course of their research they may discover an aptitude and affinity for working with computerised systems.

A personal development objective arising from this might be, to make it a part of the job holder's normal job description, to monitor and manage the data entry systems after their installation.

### Extending the Personal Abilities of the Individual

Let's assume that the manager wants to help a particular job holder to develop their management capabilities. There are, at present, no management opportunities for the job holder in question. This does not mean that they cannot find opportunities in the meantime for the job holder to practise their management skills, and to develop their management potential.

A personal development objective arising from this might be to set the job holder a specific "one-off" project which the manager would otherwise have managed on their own. Let's say, for example, that the organisation is studying the possibility of relocating to another site. The manager must research the impact of this move on their specific area of the business, and present a feasibility study with their findings. The manager could, with the job holder's agreement, set an objective that the job holder will take the project over and aim to have it completed within an agreed time frame.

Needless to say, the manager must be sure that the job holder is credited with the successes in this project!



# Learning Summary 2

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## Who Sets Objectives, and For Whom?

### Setting Objectives by Mutual Agreement

Objectives are about personal performance, so it's important that the people whose performance is affected by them should have a stake in setting them.

Managers cannot expect people to be committed to personal objectives in which they themselves have had no say. If you want the job holder's commitment to personal objectives, then they should never be imposed by the manager; they should be agreed jointly between the manager and the job holder.

On the other hand it is vital that objectives at the personal level must fit in with the objectives of the department and the organisation as a whole. People need to be responsible for setting their own objectives; but this cannot be done without first ensuring that the objectives they set are relevant to and in tune with other work being done within the department.

For example:

A hospital surgeon may decide to set the personal objective of clearing the backlog of minor cases on their operations waiting list within the next three months.

In order to meet this objective the surgeon will need more operating time. Other surgeons also need to use the operating theatres; so the surgeon can only achieve the objective by actively interfering with his or her colleagues' ability to deal with their own operating lists. The surgeon's personal objective is therefore at odds with the aim of the department as a whole, which is to keep all the surgeons fully utilised.

### Individual Objectives within an Organisational Context

The hospital example above clearly illustrates how setting objectives can be counter-productive, unless it is done within the context of overall departmental goals.

So, although managers must allow people to set their own objectives, they must also regulate the objectives they set, by coaching and guiding them to set personal objectives which fall within the context of departmental aims and goals.

## **INDIVIDUAL OBJECTIVES**

must be set within the context of



## **DEPARTMENT OBJECTIVES**

which must be set within the context of



## **CORPORATE AIMS**

Objectives, then, must start with the organisation's corporate aims. From these, departmental objectives can be determined by the manager. And finally, individual or personal objectives can be set, to work with - and not against - the departmental objectives.

# Learning Summary 3

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## The Performance Management Cycle

In essence Performance Management is concerned with answering the questions:

What is my job?

What should I achieve?

How am I getting on?

What should I do to get better?

We seek to answer these questions, using a set of very specific management tools:

### The Question

### The Management Tool

What is my job?

JOB DESCRIPTION

What should I achieve?

OBJECTIVE SETTING

How am I getting on?

PERFORMANCE REVIEW

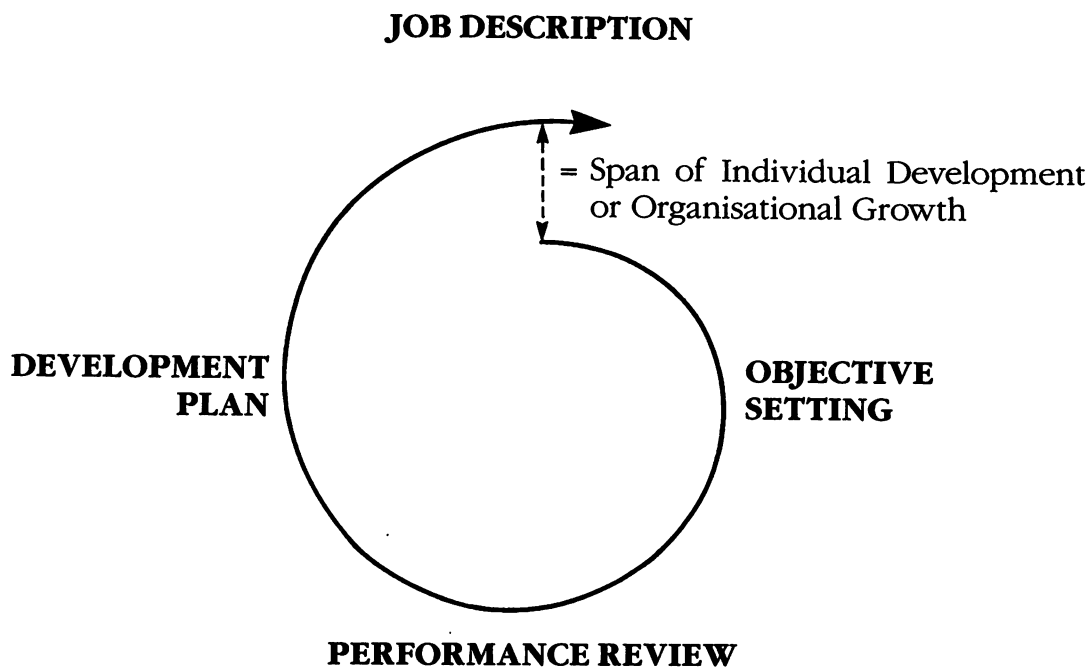
What should I do to get better? DEVELOPMENT PLAN

Objectives are set to enable the job holder to better meet the performance requirements defined by their job description.

The Performance Review considers the job holder's achievement of these objectives.

In the light of the Review, a Development Plan is devised, further improving performance to the benefit of the organisation, or developing performance to the benefit of the individual.

This overall Performance Management Cycle can be illustrated using the model below:



It is important to note that this Performance Management Cycle is a continuous process of improvement and personal development. Each improvement leads to a new opportunity, to identify further areas for improvement. The purpose is to build on each new achievement and therefore to maximise the opportunities for growth.

The Performance Management Cycle is unlike the conventional view of appraisal in that the completion of any objective, or a change in any objective, will instigate a further review of learning, achievement, and consideration of the next step. Each development or change, therefore, is an opportunity to review progress, and to set new objectives and reassess existing ones.

# Learning Summary 4

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## **Sources of Objectives**

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Individual objectives must be set within the context of corporate goals and objectives. They must also be set within the context of the specific work responsibilities of the job holder.

But before you can define or set objectives you need to know where to go to look for them. The following are useful sources of individual objectives:

- the job holder's job description. This outlines their major responsibilities.
- the organisation's goals, insofar as they are relevant to the job holder's position within the organisational structure.
- the objectives (and, if necessary, action plans) of the job holder's immediate manager.

Individual objectives clearly need to be discussed between the manager and the job holder as it is important that the job holder's objectives should be supportive of those set by the manager for his or her department.

The following are also useful sources of individual objectives:

## **Key Results Areas**

These are the areas of the job which are critical to its success and are the real reason for the existence of the job. The key result areas are the areas in which the job holder can make the maximum contribution to the organisation.

## **Performance Measures or Indicators**

Clear performance standards are obviously necessary. But the job holder also needs some measures or indicators against which to judge their success in achieving those standards.

Performance may be judged against measures such as:

- % utilisation of available production capacity
- % downtime due to maintenance of production equipment
- % customer queries effectively answered
- growth in sales this year over last year
- cost of each 100 units of sales
- number of reports meeting deadlines for issue
- ... and so on.

Such indicators are a useful source of objectives since improved performance can be readily seen and measured against them.

### **The Performance Review**

The performance review is one of the main sources of objectives for the job holder. It is here that progress will be measured against past and current objectives and, in the light of this measurement, new objectives will be set.

Reasons for success and failure are important pointers in deciding what new objectives to address, and how to address them. Failure to meet an objective may be due to problems with the motivation or skills level of the individual responsible. This is something over which the job holder clearly has a good deal of control. Failure may also be due to factors such as operational or structural weaknesses in the way the department functions; or lack of resources; or lack of time available to work on the objective. The job holder has less control over these things, and needs the help and support of the manager in addressing these difficulties.

Performance review provides the opportunity needed for the job holder and manager to review progress in achieving objectives, and to identify causes of success and failure so they know what actions to avoid and what actions to promote in future objectives. Performance review uses past objectives as a learning experience, so job holder and manager can learn from past actions in order to set even clearer, better objectives the next time round.

### **Career Development Plans**

Objectives can play a useful part in career development as well as in operational matters.

The Career Development Plan should outline the development needs of the job holder alongside a timescale for achievement. Setting a timescale is an important discipline, as Career Development Plans are an area in which, whilst intentions are good, very little may take place by way of action, unless there is a time incentive to get things done.

# Learning Summary 5

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## Rules for Setting Objectives

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### Qualities of a Good Objective

Good objectives should be **consistent** with and supportive of the department in which the job holder works. They should support the job holder's manager and fit into the overall goals of the department as a whole.

They should be **specific** and spell out exactly what it is that the individual intends to achieve. Each objective should be confined to a single topic.

They should be **personal**. Unlike a job description they must take into account such matters as the motivation, competency and recent performance of the job holder.

So, objectives must be:

- **Consistent** with the manager's objectives for the department as a whole
- **Specific** about what they will achieve
- **Personal** i.e., tailored to the job holder.

Good objectives should also be:

- mutually recognised and agreed
- measureable by quantitative means
- achievable but challenging
- time limited
- supported by action plans
- reviewed regularly.

## 7 Ground Rules for Setting Objectives

There are seven simple ground rules which managers can follow in order to ensure good, effective objectives:

### 1. Agree Objectives Jointly

Although prompted by the manager, the job holder should be the “owner” of the objective and committed to it. The manager is more likely to obtain commitment where the job holder him or herself has taken responsibility for defining the terms and measures to be used in setting the objective.

The job holder knows better than anyone what the job involves, how quickly they can work, what resources they will need, what problems they will encounter, and so on. So the job holder is, arguably, the person best equipped to set the objective. Nevertheless the manager must be prepared to challenge the terms and measures selected by the job holder. And the manager must be skilful also in helping the job holder to think it through, and to consider the implications of the objectives they wish to set.

### 2. Agree Measures of Achievement

Results need to be measurable so that, at the end of the time period set for the objective, the manager and job holder can decide without argument whether the desired results have been achieved.

Quantitative measures should be used, i.e., things which lend themselves to measurement, such as increased output, reduced time and resources, reduced cost, etc.

Some situations do not lend themselves easily to measurement. Good customer relations, for example, is something which is not immediately quantifiable. Behaviour change and training effectiveness are also difficult to measure in quantitative terms.

In cases such as these the best way to find an appropriate measurement is to start by asking the question:

“How do we know that an improvement is necessary?”

Answering this question will help you to identify the cause of the problem or need, and from there to a specific aspect of the problem or need which can actually be measured.



For example:

Let's say that you want to be able to measure an improvement in customer relations.

You know that an improvement is necessary because of the number of complaints you have received about the behaviour of your sales assistants.

This - the number of complaints - provides the quantifiable element you need in order to set a measurement for your objective. Your objective is to improve the quality of front line sales service; and you can measure this improvement in the reduction of complaints received from customers.

### 3. Agree a Realistic Time Scale

You should always set a realistic target date for the completion of your objective. A target deadline gives the job holder something to aim for; it helps them to be disciplined and to plan their work effectively. It also helps the manager to ensure that what is agreed becomes an action rather than just an intention.

But the time scale must be realistic. If it is too tight the job holder may be driven to making poor decisions for the sake of meeting the objective's time scale rather than doing what's right for the organisation. If the time scale is too loose then effectiveness will be lost and the credibility of the system will suffer.

### 4. Make Them Achievable but Challenging

Constant failure to achieve objectives is depressing and demotivating. On the other hand if objectives are easily achievable the credibility of the system will suffer. People develop by being stretched so an objective should be demanding whilst remaining within that person's capability.

### 5. Let the Job Holder Decide How to Get There

Telling the job holder how to carry out an objective takes away that person's scope for initiative. Working out a plan of action for themselves, and being able to carry it through are important development steps which can motivate individuals and help them to grow.

One good way to help and coach the job holder is to ask them to develop their own Action Plan, detailing what they will do, when they will do it by, and what resources they will call on in order to achieve their objective within the agreed time frame.

This Action Plan needs to be agreed between the manager and the job holder, and it can form the basis of ongoing progress reviews until the objectives have been achieved.

#### 6. Use Objectives for Personal Development

Setting demanding objectives can be a very effective way of increasing a job holder's knowledge, skill and experience. Basically, people enjoy achievement. They like to improve their skills and to develop their abilities in the workplace. People who are short of development opportunities soon get bored and disinterested in the job.

Objectives which address people's basic need for personal development therefore have an important motivational effect, and will also have the full support and commitment of the job holder.

#### 7. Review Progress Regularly

Objectives should not just be set at the beginning of the year and reviewed at the end, they should be part of an ongoing process whereby manager and job holder review progress and decide future steps.

There is a strong case for interim as well as final reviews of each objective, so the manager can be kept aware of what job holders are doing, how they are progressing and what difficulties they may be experiencing in their progress. This is important to the manager in fulfilling his or her role as coach and counsellor to job holders as they progress with their objectives.

Objectives also need to be flexible. Regular reviews have a role to play in building this flexibility in to the objectives set by the job holder and the manager.

Objectives must be flexible, because conditions affecting the organisation can change. Unforeseen problems and demands in the organisation's environment can mean a change in the organisation's aims - which has an impact on departmental aims and ultimately on the objectives set by individuals within that department.

Regular reviews enable the manager and job holder to monitor the fit of individual objectives with changes in the department as a whole. Objectives can then be changed or adjusted where necessary, in a timely and constructive fashion.

# Learning Summary 6

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## Putting It into Practice

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Careful planning maximises the job holders' chances of achieving success with the objectives they have set themselves. An Action Plan showing what has to be done, and by when, in order to achieve the objective, is therefore an essential part of the objective setting process.

An Action Plan should be agreed with the manager and can form the basis of ongoing progress reviews. An Action Plan also helps the manager, by providing a clear structure in which to give guidance and coaching to the job holder responsible for achieving the objective.

An Action Plan should detail tasks, timings and resources. It may also include additional items such as projected costs, contingency actions, and special support needed from colleagues or other departments.

The following outlines a systematic problem solving approach to developing an Action Plan for each objective:

- |                                       |  |
|---------------------------------------|--|
| <b>Step 1 Define the Aim</b>          | Why am I doing this?<br>What do I want to achieve?   |
| <b>Step 2 Define Success Criteria</b> | What is the standard I am trying to reach?<br>How will I know if I've been successful?<br>What specific results will be needed in my action plan to achieve the aim? |
| <b>Step 3 Define the Plan:</b>        | What activities must I include in my Action Plan?  |
| HOW                                   | How will the activities be implemented?  |
| WHO                                   | Who will be involved in the activities, apart from myself?   |

WHEN

Have I informed the other people that I will need their involvement?

Are the deadlines realistic?

By when must the results be achieved?

Will I be able to check and control progress?

WHERE

Will activities take place inside or outside my department/organisation?

Step 4 **Activate the Plan**

How am I doing?

Does anything need changing?

What changes should I instigate?

Step 5 **Analyse the Results**

What went well?

What didn't work, and why?

How could I do better next time?

# Discussion 1

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## Agree a Definition for “Objective”

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**Description:**

Small group discussions followed by feedback in a plenary session. This activity is useful as the introduction to a workshop on objective setting.

**Purpose:**

To raise participants' awareness of what objectives are, and where they fit into the management process.

**Materials:**

Flipchart and pens.

**Action:**

Get participants to form into groups of 3-4 people, and ask them to come up with a list of the things which characterise objectives.

After about 10 minutes draw the groups together to share their findings.

List their suggestions on the flipchart. Their ideas might include any or all of the following:

- objectives are about improving performance.
- objectives can be individual, departmental, or organisational.
- individual or personal objectives must comply with/be compatible with departmental objectives.
- objectives must be measurable.
- objectives work best when they use quantitative measures, i.e., % increase in sales, £,000 reduction in costs, etc.
- objectives must be time bounded.
- objectives must happen over a realistic time scale, i.e., too short a time and they won't be achievable, too much time and people lose interest.
- objectives for individual job holders must be agreed between the job holder and the manager.
- job holders are unlikely to be committed to objectives which have been “imposed” on them.

- objectives should give the job holder sufficient freedom of thought and action, whilst allowing the manager to exercise reasonable control.

As you write them up on the flipchart, check to see that the group understands the statements they are contributing to your list. If you need to clarify any points, elicit participants' help in doing so.

Finally, you may find it useful here in plenary discussion to agree a definition for the term "objective".

You can return to this definition throughout your workshop at any point, where confusion and misunderstandings occur about what objective setting means, and what it is for.

# Discussion 2

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## Ground Rules for Objective Setting

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**Description:** A group discussion exercise based around the content of the drama video.

**Purpose:** To introduce participants to some ground rules for setting objectives.

**Materials:** Drama video.  
Flipchart and pens.

N.B. Pre-prepare a flipchart page listing the 7 ground rules from the film.

**Action:** Either run this activity as a continuation of Discussion 1 . . .  
. . . or

Get participants to form into groups of 3-4 people and to agree a definition within their group for the term, "objective". Allow group discussions to run for about 20 minutes.

Now watch the drama video. This introduces 7 ground rules for objective setting.

Check for any questions or problems, and use OHP 2 to reinforce the ground rules introduced by the video.

Get participants to return to their groups and to discuss the following:

- What, if anything, was missing from their definition?
- Do they now want to change their definition?
- Are there any other ground rules which came out of their earlier discussions, and which they would like to add to the list of 7 from the video?

Allow these group discussions to run for about 10 minutes.

Then draw the groups together again and reveal your flipchart list of ground rules. If participants suggest any further ground rules, add these to the list.

Finally, stick the list on the wall where it can be seen throughout the rest of the training programme.



# Discussion 3

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## Comment on Examples

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**Description:**

Small group discussions followed by feedback in a plenary session.

**Purpose:**

To give participants practice in identifying what constitutes a good objective.

The exercise also enables you as trainer to check participants' understanding of how to write good objectives, as the exercise requires them to explain their reactions to a list of sample objectives.

**Materials:**

OHP 1.

Handout 1.

N.B. The examples we have given in Handout 1 are designed to reach the widest possible audience of learners. If you are dealing with a group that has specialist skills and needs, you may want to produce your own list of examples. To help you out, ground rules for setting objectives are given in Learning Summary 5.

**Action:**

Use OHP 1 to remind participants of the basic rule, that:

**AN OBJECTIVE IS A SPECIFIC ACTIVITY THAT WILL BRING ABOUT AN IMPROVEMENT.**

**THIS IMPROVEMENT CAN BE IN:**

- OPERATIONS
- COMMUNICATIONS OR RELATIONSHIPS
- PERSONAL DEVELOPMENT.

Now get participants to form into groups of 3-4 people, and distribute copies of Handout 1.

Ask the groups to take each example in turn, and to decide whether they think it is a good example of an objective.

Advise participants that they should explain their thinking and, where possible, suggest possible improvements in the way each objective has been stated.

Allow between 30-45 minutes for these small group discussions.

Draw the groups together again and discuss their findings in a plenary session.

The following notes should be useful to you in guiding the plenary discussion:

- Example 1:** To increase the perceived usefulness of Department D.
- Comment:** What is the start point for measuring achievement of the objective? We need to know what the current position is before we can decide how to improve on it.
- What is the deadline for completion of the objective? Objectives need to be time bounded.
- Example 2:** To improve quality and flexibility of production.
- Comment:** The statement does not give a quantitative measure of the improvement required. Objectives must be measurable, which means they must define not only what will be measured, but how it will be measured.
- Again, there is no deadline date for completion of the objective. Objectives must be time bounded.
- Example 3:** To reduce inventory costs by 2% from current level.
- Comment:** This example gives both a start point and an end point for the measurement of reduced inventory costs. This is important in setting objectives.
- The example falls down, however, because the objective has not been time bounded. Is this reduction to be achieved over the next 2 months or the next 2 years?
- Example 4:** To reduce secretarial costs and staff turnover through reviewing the present situation, proposing changes and, to implement the changes by 30 June.
- Comment:** This objective addresses a broad problem which one person alone is unlikely to achieve, without the involvement and approval of other people.

What we have here are really two objectives confused into one; the first part aims at an interim goal, which is to put forward proposed changes, the second part is about implementing these changes.

With such a broad problem, one person alone is unlikely to be able to effect any change without trespassing into other people's work responsibilities. It is essential, therefore, that agreement must be reached before any changes are made. So the interim objective, of putting forward proposed changes, is the objective we should be setting here. The second objective would be best defined after the interim objective has been achieved.

Also, no deadline date has been set for presentation of the proposed changes. But a deadline date has been set for the second objective, which is the implementation of the proposed changes. This deadline date is unrealistic because:

- a) we don't know when we will present our proposals, and
- b) the proposals may not be accepted anyway!

Finally, how do we know when we have achieved a satisfactory reduction in costs and staff turnover? A start point for measurement is not given. Nor is a quantitative means of measurement given.

**Example 5:** Reduce reprographic costs by 10% in 12 months.

**Comment:** This is an example of a good objective. The time span has been specified. Also, we have a quantitative measurement by which to judge our achievement of the objective.

It could be argued that the start point for measurement has not been defined. In this case, however, it seems clear that the start point is the current level of cost.

Also, if other people are to be affected by the cost reduction, then it becomes necessary to set an interim objective, to identify possible courses of action and reach agreement on which course to follow.

**Example 6:** Complete Project B by 30 November.

**Comment:** This is certainly an objective; we can presume that the project is clearly defined, and the objective is time bounded by a completion date.

There is possibly room for debate, as to whether this is an objective or simply an instruction.

**Example 7:** Devise a new policy on X and achieve acceptance by 30 May.

**Comment:** Acceptance may not be possible, so there is a question mark over whether the objective is realistically achievable. A good way to tackle this would be to set an interim objective, to devise and present a new policy for approval by 30 May, or some earlier date. Then, assuming that approval is given, a further objective can be set, with a deadline date for implementation of the policy.

**Example 8:** Increase the efficiency of XYZ Department, so as to reduce the level of customer complaints to no more than 2%.

**Comment:** An assumption is being made here, that the current levels of efficiency - or lack of it - in Department XYZ is the cause of customer complaints.

Also, "efficiency" is too wide a term to be quantified or measured effectively.

Also, the objective is not time bounded.

It would be better to express this objective along the lines of "Investigate the causes of customer complaints and make recommendations to reducing them to no more than 2%". The objective would also need to include a deadline date for submission of these recommendations.

**Example 9:** To make further progress in cost reduction. Target of 3% within three months, total of 5% within 12 months.

This is an example of a good objective. It is both time bounded and measurable. It is clearly in response to an earlier cost reducing objective. It recognises that the short term may be easy, but that long term cost reduction may be more difficult.

# Discussion 4

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## Video Based Discussion

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**Description:**

A group discussion exercise based around some sections of the drama video.

**Purpose:**

To give participants some practice in identifying potential problems in an objective setting process.

To increase participants' understanding of the contribution made by managers, to the success or failure of an objective setting process.

**Materials:**

Drama video.

Handout 2.

N.B. The video content of this exercise revolves around a performance review interview between David (the manager) and Trevor (the job holder). You will find this illustration at the beginning of the programme.

You will need to show two separate scenes; the first of these shows the interview going wrong, the second scene shows an alternative interview which has a more satisfactory outcome.

As part of your preparation for this exercise it's a good idea to run the video and to make a note of the reading on the tape counter at the beginning of each scene. This will enable you to go promptly to the scenes you wish to show, as and when you need them.

**IMPORTANT:** Tape counter readings will vary from one machine to another, so it's important that in your preparation you use the same machine you will be using for the training session.

**Action:**

Get participants to form into groups of 3-4 people, and distribute copies of Handout 2.

Explain that the video they will see shows Trevor in a performance review interview with his manager, David. Their task as groups will be to answer the questions on the handout, in the light of what they have seen on the video.

Show the first scene between Trevor and David.

Allow about 20 minutes for groups to work on their questions, then draw the groups together to share their findings.

The following are our suggested answers to the questions on the handout:

**Question 1:** David did not allow Trevor to play a part in setting the objective. In fact he “imposed” an objective on Trevor.

Also, the objective David set was not really an objective at all. It did not stipulate an improvement, nor did it take account of the changing nature of Trevor’s work; the reason Trevor was having difficulty in processing new licensing applications was that applications had increased by 25%. So, using the same work methods and systems that were currently in place, the only way Trevor could get the work done was by working 25% longer.

What David did was to impose an unrealistic demand on Trevor. Trevor grumbles, “I thought the idea of objectives was to help you work better, not harder.” He’s right. David’s use of objectives - to wring even more work out of Trevor - is highly manipulative. Managers who use objectives in this way do so at their peril, and risk losing good people because of it.

**Question 2:** The outcome from Trevor’s point of view was entirely unsatisfactory. He would probably have felt “put upon”, and would not have been committed to the objective, firstly because it was not realistic, and secondly because he was not allowed to play a part in setting it. If he were able to achieve it, it would be at the expense of a great deal of goodwill and trust between himself and his manager.

**Question 3:** David could have encouraged Trevor to put forward his own ideas for solving the problem. He could have asked questions and worked better with Trevor in exploring the causes of the problem. In doing this they might have come up with a real, achievable objective, which Trevor would have been happy to commit to.

Now explain to participants that they are going to see the same situation, but dealt with this time in a different way. Ask them to be on the lookout for things which David does differently this time round, in order to achieve a satisfactory outcome.

**Notes:**

Show the second scene between Trevor and David.

Lead a plenary discussion to discover why things went better for Trevor in the second interview. The following notes should be helpful to you in guiding the discussion:

This time, David sought Trevor's suggestions on how to deal with the problem ("Got any ideas how to tackle it?").

David was careful to set parameters on what was acceptable and what was not in order to solve the problem; Trevor suggested more staff, but David quickly made it clear that this was not possible.

When Trevor pinpointed a possible cause ("I think there's a bottleneck somewhere") David encouraged him to incorporate this into an objective, which Trevor then set for himself.

David went on asking questions and coaching Trevor to complete the objective, by setting a measure and a time scale for achievement.

Because Trevor had set the objective for himself - under David's guidance - he was heavily committed to it and would work hard to ensure he achieved it.

Finally, close the activity by checking for other, equally valid suggestions participants had come up with in their answers to Question 3 on the handout. Allow a few minutes of plenary discussion to explore the relative merits of these ideas.

# Discussion 5

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## Video Based Discussion

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**Description:** A group discussion exercise based around some sections of the drama video.

**Purpose:** To give participants some practice in identifying potential problems in an objective setting process.

To increase participants' understanding of the contribution made by managers, to the success or failure of an objective setting process.

**Materials:** Drama video.  
Handout 3.

N.B. The video content of this exercise revolves around an interview between Carol (the manager) and Jane (the job holder). You will find this illustration roughly half way into the programme.

You will need to show two separate scenes; the first of these shows the interview going wrong, the second scene shows an alternative interview which has a more satisfactory outcome.

As part of your preparation for this exercise it's a good idea to run the video and to make a note of the reading on the tape counter at the beginning of each of the scenes. This will enable you to go promptly to the scene you wish to show, as and when you need it.

**IMPORTANT:** Tape counter readings will vary from one machine to another, so it's important that in your preparation you use the same machine you will be using for the training session.

**Action:** Get participants to form into groups of 3-4 people, and distribute copies of Handout 3.

Explain that the video they will see shows Jane in an interview with her manager, Carol. Their task as groups will be to discuss why the interview went wrong, and what the manager, Carol, could have done to ensure a more satisfactory outcome.



Show the first scene between Jane and Carol.

Allow about 20 minutes for small group discussions, then draw the groups together again to share their findings.

The following notes should be helpful to you in guiding the plenary discussion:

**Notes:**

Part of the manager's role in the objective setting process is to help the job holder to set objectives that are realistic and achievable. Objectives are agreed mutually between the manager and the job holder; so if the agreed objective is unrealistic the manager is not playing their role to the full. Carol clearly had her suspicions about the time scale Jane had put on the objective, but she chose not to pursue it, therefore she failed in her role in managing the objective setting process.

Achieving her objective within the agreed timescale became more important to Jane than the quality of what she was doing, or the level of service she would be providing.

Jane is so focused on achieving her objective within the deadline she has given that performance standards are going to be seriously compromised. She will have to reduce the training to a one day programme, even though she and her colleagues have already agreed that one day is not sufficient.

Also the organisation's image is likely to suffer some damage, as Jane and her colleagues must renegotiate arrangements with the external consultants who were to help with the training - in other words, they will have to "mess people about" in order to meet Jane's deadline.

The key point to make is that objectives must never compromise standards, i.e., realistic objectives are objectives which can be achieved without having to make compromises in terms of quality or service.

What Carol could have done to address her concerns about the timescale for the objective was to set an interim objective for completing the preparation of the appraisal programme. Once this had been achieved, she and Jane could then have gone on to set a further objective and a deadline for completion of all the appraisal training.

Now show the second scene between Carol and Jane. To close the activity, get participants to compare the ideas they came up with in their group discussions, with the outcome shown in the second piece of video. Encourage them to suggest further improvements on Carol's handling of the situation the second time round.

# Practice 1

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## Performance Standards and Objectives

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**Description:** Some individual work on real workplace issues, followed by discussion in pairs.

**Purpose:** To raise participants' awareness of the difference between performance standards and personal objectives.

Being aware of this difference will help participants to avoid confusion about what constitutes an objective in the context of their normal work activities.

**Materials:** Handout 4.

N.B. Participants will benefit more from this exercise if they are advised in advance to have a copy of their job descriptions with them.

**Action:** Distribute copies of Handout 4.

The handout is headed with two separate definitions for "performance standards" and "personal objectives". Ask participants to spend a couple of minutes studying these definitions.

Check to see that everyone understands the definitions and feels comfortable about the difference between performance standards and personal objectives. You should find Learning Summary 1 useful in dealing with any difficulties.

Now ask participants to take a few minutes to work on their own, and to start defining 3 performance standards for their own job, and 3 personal objectives which they would like to suggest to their manager.

After about 10 minutes get participants to form into pairs and to continue with their task, of defining performance standards and personal objectives for their own job. Be ready to provide help and guidance as and when requested.

# Practice 2

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## Measuring Objectives

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**Description:**

A plenary discussion to introduce the concept, followed by pairwork, to identify real workplace improvements.

**Purpose:**

To get participants used to thinking about measurement as an integral part of the objective setting process.

**Materials:**

None specific.

**Action:**

Introduce the concept of measurement with a plenary discussion to answer the following questions:

- What is the role of measurement in setting objectives?
- What measures should be used?
- What sorts of things can make it difficult to decide on a method of measurement?
- How can you set about finding a way to measure things which are not readily quantifiable, e.g., good customer relations, quality of interdepartmental communications, etc.

The following notes should be useful to you in guiding this discussion:

**Question 1:**

The role of measurement in setting objectives is that measurement enables both the manager and job holder to determine when an objective has been achieved, or to assess the extent to which it has been achieved.

**Question 2:**

Quantitative measures should be used, i.e., things which can be expressed easily as percentages, or as costs, e.g., x% reduction in customer complaints, £,000 increase in sales, unit cost of sales, etc.

**Question 3:** Measurement is impossible where the terms of reference are too broad or too vague, e.g., “increase efficiency” cannot be measured. But “efficiency” could be measured in terms of the number of orders processed within 24 hours, or the number of phone calls answered within 4 rings, and so on. By defining “efficiency” more closely, you can find something which can be measured, and which can be seen as an increase in efficiency.

**Question 4:** Where you are unsure how to measure improvement, ask the question, “How do we know that an improvement is necessary?” More often than not, the answer to this question provides you with a quantifiable measure which can then be used in setting the objective.

For example, you want to measure an improvement in customer relations. “How do we know that an improvement is necessary?” We know because of the number of customer complaints received about the behaviour of sales assistants. So we can measure the improvement as a reduction in the number of complaints.

Now get participants to work in pairs.

Ask participants to work with their partner to come up with 3 examples each, of possible improvements which they could make in their respective jobs.

Brief participants that their aim is to identify the items to be measured, and to specify an appropriate measurement in each case.

To close the activity, draw participants together again to share their findings about things which they found difficult to measure, and what they did to overcome their difficulties.

# Practice 3

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## Key Result Areas, Performance Measures and Objectives

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**Description:**

Some individual work on real workplace issues, followed by discussion and feedback in pairs.

**Purpose:**

To provide an opportunity for participants to practise identifying and setting objectives for improvement in their jobs.

**Materials:**

Handout 5.

N.B. Participants will benefit more from this exercise if they are advised in advance to have a copy of their job descriptions with them.

You will probably need to allow up to half a day for this activity: 30 minutes for key results areas; 30 minutes for performance measures; 1½ hours working with a partner to set and refine objectives.

**Action:**

Distribute copies of Handout 5.

Explain to participants that the aim of the activity is to help them judge their own performance on the job, both effectively and realistically.

### **Step 1: Identify Key Result Areas**

You will need to check that everyone understands what is meant by “key result area”.

To do this, allow a couple of minutes for participants to read through the definition given on the handout. Check to see if there are any questions about the definition. Finally, get participants to give some examples, using the list below if you need to, to get people started:

**Notes:**

<b>Job</b>	<b>Key Result Areas</b>
Managing Director	Corporate strategy Raising funds Return on capital employed
Sales/Marketing Manager	Retention of present customers Home sales Marketing costs Competitiveness of quotations
Salesperson	Product knowledge Information on competitors Competitiveness of quotations Effectiveness of presentations
Personnel Manager	Personnel policies Wage and salary systems Recruitment and selection Industrial relations Management development ...

... and so on!

Now set a time period for participants to work on identifying the key result areas in their own jobs.

Whilst participants are working on this task your role as trainer is simply to be available to answer questions and to provide guidance as requested.

**Identify Performance Measures**

Ask participants to give some examples of performance measures in their work. Use the following examples to get the ball rolling:

**Notes:**

**Example 1**

A production manager has a key result area, which is to maximise the organisation's usage of production capacity.

A performance measure therefore would be the % utilisation of available production capacity.

### Example 2

A sales person has a key result area, which is to achieve sales at maximum profit for the organisation.

A performance measure therefore would be the cost of each 100 units of sales.

Once you are sure participants understand what to do, set a time period for them to work on identifying the measures against which they will judge their performance in key result areas.

Your role is simply to be on hand to answer questions and provide support as requested.

### **Set Objectives**

Remind participants that objectives are about performance improvement.

Ask participants to form into pairs and, by reviewing the key result areas and performance measures which they have defined for themselves, to do the following:

- identify areas in their job where expected performance does not match actual performance, i.e., where there is a performance problem, or a development need.
- prioritise and choose the three problems or needs which will have the most critical effect on them personally, or on the organisation as a whole.
- define and set objectives to address these problems/needs.

# Practice 4

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## Action Plans for Implementing Objectives

**Description:** Action planning in pairs. This activity is useful towards the end of a workshop on objective setting.

**Purpose:** To help participants develop a framework for the transfer of learning from the training workshop back to the workplace.

**Materials:** Handout 6.

**Action:** Distribute copies of Handout 6, which describes a 5 step Action Plan for implementing objectives.

Allow a few minutes for participants to read through the 5 steps in the Action Plan, and be ready to answer questions or problems they may have with this framework.

Get participants to identify three objectives which they want to work on during the activity.

Ask them to draw up the first three steps in their Action Plan for addressing each of their objectives (Steps 4 and 5 will be dealt with later, in the work place).

Finally, get participants to seek feedback from their partner on the Action Plans they have drawn up.



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