



Goal Setting & Alignment

How Work is Managed

Cascading goals from business to teams and individual employees.

Outcomes

- Guidelines for aligning and cascading business goals through the business.

Goal Setting & Alignment

Cascading goals from business to teams and individual employees. Cascading goals are an effective tool for ensuring that the goals of the business and all employees is aligned. The process starts with senior leaders defining strategic goals concerning the business objectives. These goals are then cascaded down level by level until employees' individual objectives are set. This ensures alignment between different divisions, enables efficiencies and productivity, and can foster a sense of united purpose.

This how to guide will cover:

- Goal alignment.
- A step-by-step process for aligning and cascading goals through the business.

Goal Alignment

Aligning goals across the business is important to ensure that teams and employees work towards a common purpose. The cascading process starts at the top and filters the goal level by level throughout the company. Goal alignment promotes the visibility of business goals up, down, and across the business. Creating this line-of-sight can allow managers to track progress and adapt their departmental goals to changing needs. Establishing a set of overall business goals which flow down also ensures that every team and individual is working towards one set of objectives based on the overall business strategy. Employees can feel confident knowing that their activities and roles are coordinated with the company strategy. Goal alignment promotes productivity and fosters a sense of united purpose. By having clear objectives, employees can understand how their work directly contributes to and impacts the business's success. Goal alignment also prevents people within the company from putting time and effort into work that is not supporting the company's overall objectives, while also avoiding overlap in the work that people are doing.

Cascading

Cascading goals are a hierarchical framework to structure goal alignment. Cascading starts at the highest senior or executive level. First, strategic goals are set, and then those goals cascade down throughout the rest of the business to help guide team and individual-level goals. The point of cascading goals is to get everyone from top to bottom wholly aligned with the business strategy. Below are some steps to help you implement cascading goals.

Step One: Business Goal Setting

The first step of cascading is setting business goals. These goals should be set with an annual time frame and align with your business's needs and strategies. Think about what you want the business to achieve. Some examples include:

- Delivering industry-leading products.
- Strategically positioning your business and your people for future growth.
- Entering a new market.
- Offering a new product line.
- Attaining a desired profit margin.
- Optimising revenue.

Beware setting too many goals. Ideally the business strategy will translate onto a single page, with clear priorities outlined.

Clear metrics for each goal should also be considered and set. Often these impact performance ratings (and therefore rewards and incentives).

Step Two: Senior Leadership Goal Setting

Next, senior leaders need to set goals collectively and ensure they align with the business goals. These goals should support the business goals and go through a process of evaluation, refinement, and finalisation. For example, using a whiteboard, you could have your senior leaders write individual goals beneath business goals. Have them then discuss each leader's goal and evaluate whether there is clear and comprehensive alignment. If there is not, refine the goal and decide whether additional senior leadership goals are needed to support the business goal fully. As a whole, finalise the goals and determine the next steps.

Consider conducting a workshop with your senior leaders to complete this step. You want to ensure that all your senior leaders are on the same page and are aware of the common goal they are working towards. You also want to identify what support and resources are needed for each senior leader and their team.

Step Three: Manager and Employee Goal Setting

After business goals are set, and senior leadership have created and aligned on their goals, the goal cascade continues. Managers should take time to create their own goals, measures, and targets. Again, these must align with the business and senior leadership goals. Although not required, it is a clever idea for managers to confirm their goals with senior leaders to ensure alignment. Next, managers should hold a meeting with their direct reports to run them through the cascading structure. Managers should explain what cascading is and the purpose of using cascading goals. Communicate the goals which have been set at the business, senior leadership, and manager levels. Explain what this means for employees, such as activities they will need improvement in, focus areas for the year, changes to existing ways of working etc. This transparency helps employees tangibly understand how individual actions contribute to the achievement of larger goals, while also providing employees with examples that help them set effective and aligned individual goals. Following the meeting, employees should draft their own individual goals and set a time to confirm this with their manager. The SMART framework is a great tool to help employees set effective goals.

Managers should ensure that their employee's goals:

- are relevant to the business.
- are appropriately scoped.
- are measured effectively.
- coordinate with other goals.
- are results-based and measurable.
- that the achievement of the goal is under the control of the employee.
- will receive support if required.

Finalise and take a record of these goals.

Cascading Example

Here is an example of what cascading goals look like at each level. Although these goals will be specific to each individual, the example below provides an indication of how goals should be connected and aligned with one another.

| | | |
|-----------------|--|--|
| Business | Strategically position the business and our people for future growth. | Greater return on investment from Learning and Development activities. |
| Senior Leaders | Engage and retain a team of high-performing employees 95% of direct reports have SMART goals. | 95% of direct reports have SMART goals and development plans 10% or less voluntary turnover of employees. |
| Middle Managers | Promote a culture of learning and continuous improvement. | Roll out a new learning initiative such as Lunch and Learns, mentoring / coaching, learning hubs etc. |
| Employees | Develop a growth mindset and proactively take ownership of my learning and development. | Positive feedback / performance appraisal regarding upskilling and learning Complete all required business learning programmes. |