

## Setting SMART Objectives for Employees

One of the biggest challenges facing any manager are staff reviews. How do you determine if an employee has met his or her goals? We have blogged about [key performance indicators](#) in the past and KPIs are important, but they are really designed to measure performance as it related to overarching company objectives, not specific employee performance. When it comes time to do that annual or quarterly performance review, you need to apply a set of achievable metrics that truly gauge employee performance.

### How to Create Employee Objectives

We recommend that our clients adopt SMART objectives for measuring employee performance – metrics that are specific, measurable, achievable, realistic, and time-bound. The concept of using SMART strategic objectives is well-defined and can be applied to [overall company performance](#), but they adapt well to measuring employee performance as well.

**1. Specific** – If you can't define the specifics, you can't measure performance. Vague goals do not promote results and actually can encourage procrastination. Be sure to couch the performance goals in terms that are specific to the job. For salespersons, you can set a goal of "increase sales by 15%," but that may be too vague. You might try to be more specific, setting a goal such as "Make 10 new sales calls each day" or "double the number of sales prospects." However you set your performance goals, be sure they are clear, well-defined, and readily understood by a professional with that specific job function.

**2. Measurable** – Find a unit of measure relevant to the position and use it to benchmark performance. In the case of sales, for example, you can use percentage of sales revenue or number of new customers. For other workers, performance can be measured using hours, output, number of units, revenue, or some other tangible measurement. Just saying "improve performance" is not measurable. And be sure you have the resources to actually capture the data required to measure performance.

**3. Achievable** – Some professionals substitute "Agreed to" for "Achievable," but the concept is similar. You need to determine with all stakeholders that the goals are within reach, and that there is a realistic path to achieving those goals. It is okay to establish "stretch goals" that are challenging to achieve, but the goals can't be so difficult that they are impossible to achieve.

**4. Realistic** – When you agree to specific goals, be sure to assess whether those goals are realistic. Are there sufficient resources available? Are there factors beyond your control that can affect the outcome? Part of the objective of setting goals is to empower staff to control their own performance, which means you need to be realistic when setting milestones.

**5. Time-bound** – Just as you need to make sure your performance metrics are realistic and

specific, they also need to have a deadline.. If, for example, you set a goal of increasing the number of customers or revenue, set a timeframe such as “within 60 days” or “by the end of the quarter.”

It’s also important that you document your performance expectations as well. A common complaint in many annual reviews is that employee performance metrics are either ill-defined or changed over the course of the review period. Once you establish a set of performance metrics that are measurable, time-bound, and mutually agreeable, document them, get the employee to sign it, and give them a copy.. That way they can refer back to the document regularly to make sure their job performance is measuring up to the mutually agreed to expectations.