

# 7 SIMPLE STEPS TO:

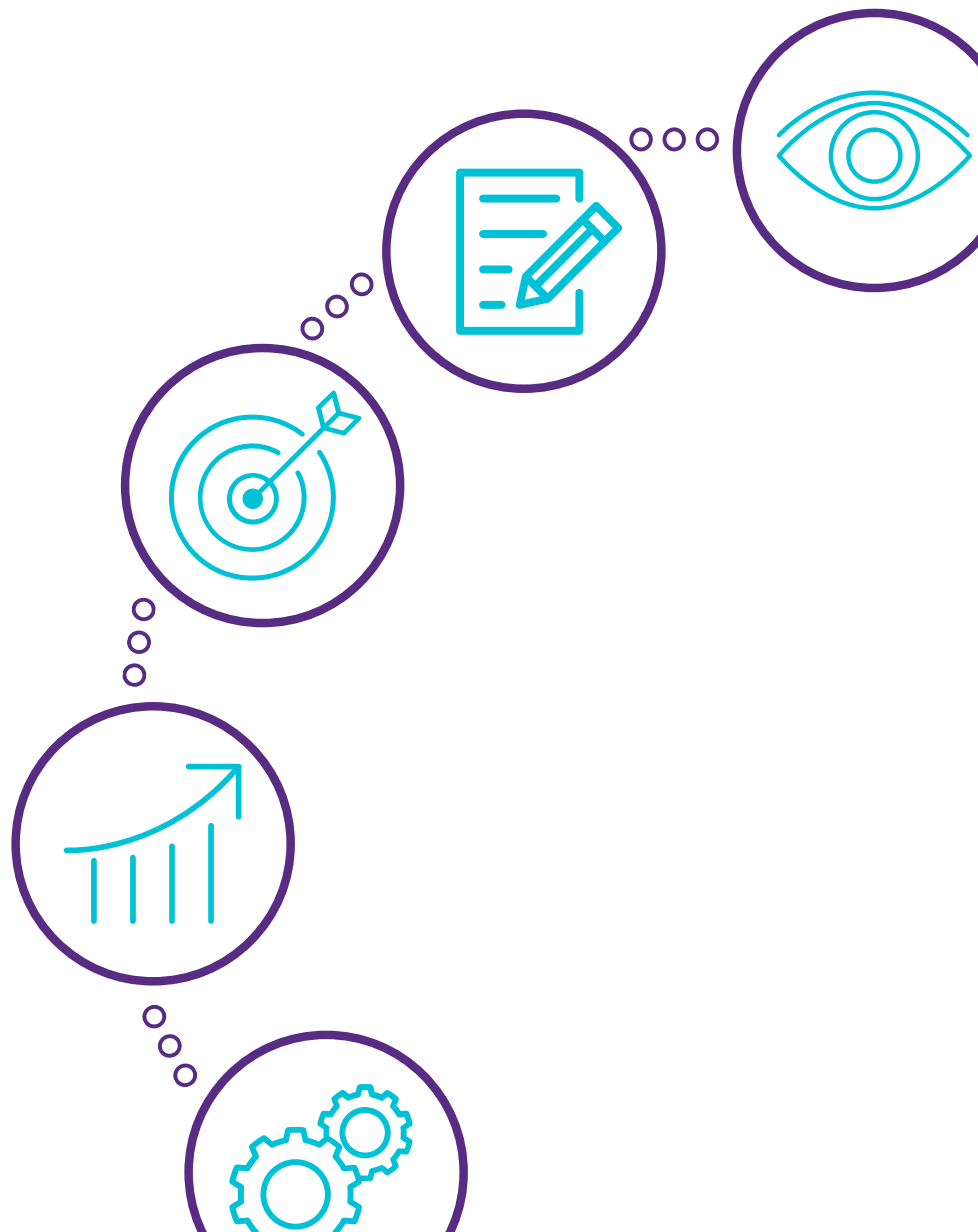
## SETTING SMART OBJECTIVES

Increase clarity and engagement and underpin performance management.



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## Introduction

Most of us have heard of the acronym SMART but may well struggle with writing a SMART objective as it really isn't as simple as you may originally think. In this 7 Simple Steps to Setting Objectives, we will provide you with a solid framework to ensure you are providing clarity and purpose for your employees. Firstly, we should remind ourselves what SMART actually does stand for:

- S** Specific/Stretching
- M** Measurable
- A** Achievable/Agreed
- R** Relevant
- T** Timed
- E** Engaging
- R** Reviewable

## 1 What's the purpose of setting objectives?

- To give clarity of expectations to employees
- To focus, motivate and engage
- To align individual performance with organisational priorities
- Can be used to enable recognition and reward in line with contribution

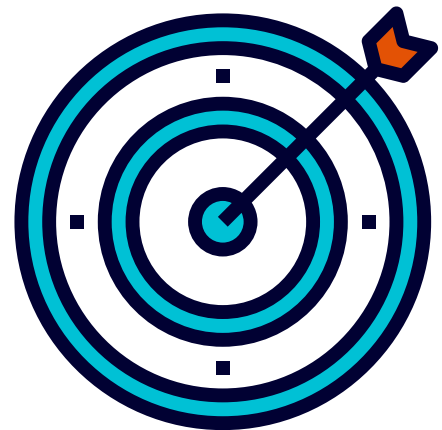
## 2 Recognise there can be different types

### Performance Objective:

- A clearly defined deliverable that may be project based or drive increased performance towards a business goal or stretch on the 'day job'. Must be SMART!

### Numeric Objective:

- A metric that the individual can influence but may not be able to fully control. Has a time element and the output is a number – financial or score. Where possible these should be individualised.

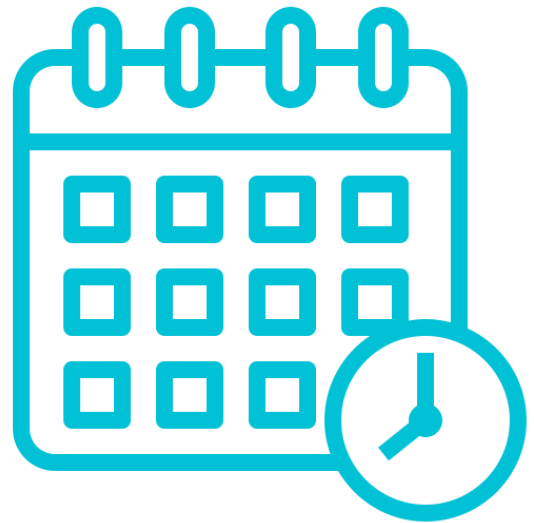


## 3 They can be aligned with organisational goals

- These should be explicitly or implicitly aligned with the overall goals of the organisation. This can be explicit by referring to the organisational goal in the title or by using categories within the system which have been pre-populated with the strategic goals. All objectives should be implicitly aligned i.e. both parties have discussed why this objective is important and how it supports the overall organisation
- Ideally individuals will have between 4 and 8 objectives live at any one time
- Some business objectives may be pre-populated or cascaded to more than one person

## 4 When should they be set?

- As early in the business year as possible to focus people on full performance for the maximum amount of time. It is possible to set objectives in stages to reduce the need to wait for cascade from above. The key is updating objectives throughout the business year to respond to changes in requirement and maintain focus!



## 5 How long should it take to set an objective?

- You should probably allow around 30 minutes to prepare, consider role requirements and organisation or business needs and this will be followed by a meeting with your employee to communicate, discuss and agree – if they leave the meeting believing they have been set an unrealistic/unachievable objective they will not be motivated, if they leave with one that is too easy to complete they will not be driven – it really is a fine balance to achieve the high performance culture you seek!



## 6

### Where should objectives be recorded?

- This is where an online performance management system such as Actus™ really adds value to the whole process as if you operate a paper system then typically the objective gets typed up, given to the employee, stored in a personnel file (or employee's drawer) and dragged out a year later in time for their performance review. By using Actus™ it is possible for both parties to prepare prior to the meeting and to pre-populate Actus™ with draft objectives which can then be discussed and agreed face-to-face
- Once agreed the objective is set to 'live' within Actus™ and becomes a working tool where both parties can add comments, put milestone reviews in place and apply performance ratings if applicable



## 7 IMPORTANT TO REMEMBER

- Objectives should be driving day to day activities over and above the day job
- Keep them current!
- Even a SMART objective is still likely to require some discussion to ensure both parties fully understand what good looks like, particularly if you are linking reward.
- Using Actus™ to facilitate ongoing review of performance against them, including addition of new objectives or marking others as obsolete will keep employees clearly focused on the real business priorities

### Top Tip:

When writing a SMART objective, don't feel that you need to start at the letter 'S' and work right through to the 'T', in reality you need to focus on SMT (Specific/Stretching, Measurable and Timed) and then us AR (Achievable/Agreed and Relevant) to check and refine. And don't cascade the same objective from the top of the organisation down, you need to ensure they are set at the right level for the individual's job role.

### Finally, here's an example of a SMART objective:

Put together a Project Management Team from lean accredited production representatives to create and implement lean improvements in order to reduce average engine service times by 20% by 30th April 2021.

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