

5 Steps to Setting Annual Performance Goals

Annual performance goal setting is an opportunity for a discussion with your employee to clarify expectations, ensure alignment and gain commitment. This tip sheet summarizes best practices from leading management experts on how supervisors can make the most of this conversation.

1) Approach Goal Setting as a Partnership

Research shows that employees have greater commitment to goals if they are involved in developing them. Annual performance goals should be set during an open, collaborative discussion between you and your employee – leading to clear direction, the right amount of challenge, and buy-in from both parties.

2) Make Sure Each Goal Is SMART

Consider the following questions as you work with the employee.

S	Specific — Is the goal precise and tangible? (Avoid generalities and use action verbs as much as possible.)
M	Measurable — Does the goal measure value-added results or output? Does it include results that can be objectively evaluated (such as quantity, quality, cost)? For researchers, measurable goals might include publications, patents, invited talks, proposals funded or submitted, etc. Motivating —Is the goal compelling for the employee? Does it provide an opportunity for personal development?
A	Achievable — Is the goal realistic? Does the employee have sufficient support and resources to achieve it?
R	Relevant — Is the goal aligned with Laboratory, Division and group goals? Does the employee understand this alignment?
T	Time-bound — Does the goal include a date or elapsed amount of time for completion?

3) Diagnose Competence Level

Before finalizing a goal, make sure you understand the employee's level of knowledge, skills, experience and capabilities needed to accomplish the goal successfully. Determine what direction, resources and support are needed for success. Also consider how the goal contributes to the employee's work and/or development interests.

4) Avoid Common Pitfalls

- *Too few or too many goals:* Too many goals may lead to quality issues; too few may not be sufficiently challenging.
- *To do list instead of goals:* Goals should not be set at the task level, which is too limited in scope. To rewrite a goal from a broader perspective, consider the larger issue behind the task.
- *Conflicting goals:* Make sure the employee's goals complement each other rather than compete. The employee should not have to choose between achieving one goal or another.
- *Goals not within the employee's control:* If you are holding the employee accountable for the goal, be sure to discuss and help the employee address any obstacles.
- *Goals not coordinated with those of other team members:* Inconsistent, similar or overlapping goals will waste your team's time and may lead to frustration and unhealthy competition.

5) Build in a Plan for Achievement

Goal setting is the beginning of the process, not an end in itself. During the goal-setting session, agree on check-in dates when you can provide support and direction and update goals as needed.