How Are We Doing?

Without department goal setting and monitoring, you can't tell

BY MEL BRAVERMAN

In my work with department managers, I typically ask, "How do you feel you are performing?" Almost every manager easily responds to this question. Then I ask how they think their supervisor would evaluate their managerial performance. It is not unusual to get a long silence and then, "Umm, I'm not sure."

It is quite evident to me that many supervisors do not give regular feedback to those they supervise. This may allow some managers to think they may not be doing a satisfactory job, while others may think they are doing a terrific job. Either way of thinking may be incorrect when the manager does not have solid criteria by which to measure performance.

Often I inquire about the department manager's performance review, asking, How did it go? What are you working on? Are you improving in the areas you want to? and How do you decide what areas to work on? Usually the reviews are annual, and if the manager has not been reviewed recently, I'm told that the review is not very relevant to the department manager's daily work. They may have been directed to improve in an area during their review, but six months later they may not know if they are achieving acceptable results. Typically, if they are not being "talked to" by their supervisor concerning the areas in need of improvement, they feel they must be doing OK.

Making goals a priority

It's surprising that some department managers do not have a solid set of goals. We cannot fault a manager's performance if they are not being given clear direction and specific targets to achieve. (Well, we can fault them, but would this be a constructive way to improve performance?) Among those managers who do have goals, many see each goal as equal, regardless of the organization's needs.

The most common "excuse" for not working with those we supervise to ensure they have a clear set of goals and receive feedback on these goals is lack of time. But I can no longer accept this as a valid answer when questioning why certain things do not get done. It's a matter of prioritization. At least once we understand that the things we *don't* do are not because of a "lack of time" but because we don't see them as priorities, we have the ability to determine whether they should become priorities. Lack of time is something we see as outside of ourselves, whereas prioritization is an internal process. If establishing goals is important, we need to give priority to the process and ensure it gets done.

Once we understand that the things we *don't* do are not because of a "lack of time" but because we don't see them as priorities, we have the ability to determine whether they should become priorities.

The process of establishing a clear set of goals does not have to be as big a time drain as many seem to think it is, and the payback can be very big. While general manager at food co-ops, I did establish goals with my managers, but my approach was not systematic and therefore much less effective. When I became general manager of a cooperatively owned natural foods warehouse and began working with my management team on establishing goals, I quickly realized we needed a systematic approach; otherwise, we could spend too much time with too little to show for it. I found pieces but no total approach to goal setting and monitoring. So, working with one very bright manager, we developed a system that we used for four consecutive years at the warehouse.

Each year, this systematic approach became easier to administer; and each year, establishing goals became easier for those managers who remained with the organization. The time savings we experienced by having all managers appropriately focused on their department priorities far outweighed the time it took to establish their goals and replaced the continual reminders I had been issuing previously.

After I became an industry consultant focused on operations, I recommended this goals system to many of the general managers of retail food cooperatives I worked with. While the goals may be slightly different, the system holds strong for the retail sector.

Establishing a framework

Our first step was to determine the critical pieces needed for an approach that not only met the operational needs of the co-op but also was engaging to the participants:

- A format for goals that would ensure clarity for all
- An inclusive process so both the supervisor and the person being supervised are involved
- Goals weighted so all could easily see which were of highest priority
- An efficient system for monitoring progress towards goal achievement
- Results that flow into annual reviews

Our first action was to define "goal." According to *Webster's Dictionary*, a goal is "the end aimed at." This seems pretty clear and precise, but we had previously experienced miscommunication as to the "end aimed at" as defined by supervisor vs. supervised.

We discussed what each goal must include and decided upon the following: an action or accomplishment, a measurable result, a target date for accomplishment, and agreement by those involved (supervisor and supervisee). Once we had established the skeleton of how we wanted the goals structured, my manager mentioned she had once been in a workshop and they had used an acronym that might be useful. She said the goals should be SMART: specific, measurable, attainable, realistic, and time-constrained. We took this acronym and defined each piece to reduce the possibility of misunderstanding what we were after. (See sidebar.)

SMART goals

Specific: precise, definite, particular

Measurable: can be quantified and compared to a standard

Attainable: can be achieved or accomplished

Realistic: can actually happen

Time Constrained: with a designated time to accomplish it

I believe that goals, in order to have the best chance of being accomplished, need to be developed by the person who will be responsible for achieving them. You are less likely to have a conflict with goals that you have been integral in establishing. I also know that each individual may not understand what the priorities of her department are and how they feed into the larger organization's goals.

We determined that the best approach was for me to meet with each manager and discuss the organization's needs and how his department could be part of meeting those needs. Then I asked each manager to write up a set of three or four goals with the organization's priorities in mind. After a couple of rounds of my critiquing each manager's goals, we had established a very solid set of goals for each department (which, if accomplished, would drive the organization forward).

Once these goals were set, I put a value on each goal (totaling 100 percent) to give the manager clear direction on the organization's priorities. So, for a department that had been achieving strong sales but weaker margin and labor, I might value their sales goal at 20 percent, margin goal at 35 percent, labor goal at 30 percent and a goal on executing all their staff reviews on time at 15 percent. Since we attached bonuses to goal achievement (I will not go into that detail here), and all had to achieve a minimum percent to be able to receive a bonus, everyone understood what needed to be done.

Assuming many of you do not use a system with bonuses based upon specific performance criteria, you can nevertheless weight the goals to use in the annual review process, establishing a minimum percent of goal achievement as necessary to receive a favorable review.

Having established the goals, we determined that each goal should have a bullet-pointed action plan developed by managers with their teams. (Each manager was to share the goals with the team and get the team involved in accomplishing the goals.) I asked for a monthly written update, which was their goal and tactical plan, with a line about where they were with implementing each tactic. With each update, they used the same paper and updated their tactical achievement on it.

Remaining flexible

At times, our priorities may change or extraordinary events may create great difficulty (and perhaps inappropriateness) in maintaining the initial timeline. Sometimes the goal that was useful at one point in time is no longer useful six months down the road. Of course, it is important to remain flexible and renegotiate when appropriate.

But it is not appropriate to constantly move timelines back to make it easy on a manager who continually cannot meet them: perhaps the general manager is being told something very important in that situation. It is also extremely important for all staff to know how they are performing and not leave it up to their imaginations.

Once you have introduced this system, or another method for that matter, each use of it is an opportunity to improve it. If this is a new process for your co-op, consider a review after the first year to understand what worked well and what can be improved. I know all of our cooperatives are unique, and there may be slightly different approaches from one to another. However, establishing goals and monitoring performance should be basic for all. ■

A SMART example

A goal, tactical plan and monitoring for a department in a retail cooperative (updates from the manager are noted in italics):

GOAL: The Wellness department sales will increase by 6.5 percent over 2009 sales ($1,210,000). Wellness department sales for fiscal 2010 will be $1,288,650.

TACTICAL PLAN AND MONITORING:

A. Use movement reports to determine which products to drop by 3/30/10.

2/28 Reviewed supplement movement reports—dropped appropriate products

3/30 Reviewed body care movement reports—have not yet discontinued products.

4/30 Body care products dropped. Tactic completed, outside of timeline.

B. Use movement report to decide which products should have facings increased by 3/30/10.

2/28 Reviewed supplement movement reports—added appropriate facings.

3/30 No further work on this tactic.

4/30 Determined which products to increase facings.

5/30 Increased facings by 5/7. Tactic completed, outside of timeline.

C. Bring in new line of body care products—approximately 12 SKUs by 6/15/10.

2/28 Researched line.

3/30 No work on this tactic.

4/30 Met with broker. They will help reset section to accommodate new line.

5/30 Category reset with new line. Tactic completed within timeline.

This approach to monitoring allowed me to read simple one-page monthly reports from each manager and gain a good understanding of their activities around implementing tactics to achieve their goals. It took managers about 3–5 minutes each month to update their reports.

By having each manager report on progress (or lack of) every month, there was no confusion as to how each one was doing. They understood that if they were not accomplishing what they said they would, their performance was in need of improvement.

At our in-person meetings, we would focus on tactics that were not being achieved and discuss how to improve.