



Inspiring Top Performers

Connecting Motivation and Vision

Research continues to suggest that the keys to successfully retaining employees lie in familiar areas of human resource and management practice (see Five Retention Factors in a Desirable Workplace). Employees want to work in a culture and environment that is inclusive and driven by a clearly communicated and executed vision, mission, and operating direction. They want to be recognized and rewarded fairly and challenged to continue their personal development.

Employers who are creating a high-performance work culture want engaged employees who have the skills, knowledge and intention to act in the best interest of the credit union. An element of creating successful employee engagement is the ability to draw a line-of-sight between where the credit union wants to go

and individual employee contributions and actions.

This line-of-sight is drawn during employee performance reviews when attention is turned to measuring and rewarding past performance and establishing criteria for the next review cycle. It is also reinforced in good variable pay programs when goals are used to measure organization performance as well as department and individual contributions. Drawing a line-of-sight for each employee is one of the strongest components in building a high performance workforce.

Aligning every employee with the credit union's strategic direction remains a challenge for most credit unions. Developing a line-of-sight tends to be easier for employees that have responsibility for sales and service functions and more difficult for sup-

porting departments such as finance, internal audit and human resources.

In our work with credit unions implementing pay-for-performance programs, we find dedicated managers and employees who have a hard time articulating how their department or function contributes to the overall success of the business. A high-performing work culture requires a certain level of understanding in order for employees to be truly engaged in using their skills, knowledge and abilities for the best interest of the credit union.



Fortunately, a relatively simple strategy can help employees to connect their own work with the credit union’s organizational aims. That strategy is goal-setting. Goals can be incorporated in performance management systems, variable pay programs, sales commission plans and employee development programs. In a high-performance work culture, an employee’s rewards are tied to the achievement of these meaningful targets.

Goal-setting is a method to ensure that work being completed and rewarded falls under the “right things right” category. By knowing precisely what you want to achieve, both the credit union as an organization and individual employees know how to schedule resources and time more effectively. Goal-setting can give your organization long-term vision with short-term motivation. By setting (and helping employees to set) clear, sharp goals in alignment with the strategic

direction of your organization you can:

Achieve more
Improve performance
Increase your team’s motivation to achieve
Increase your team’s pride and satisfaction in achievements
Improve the self-confidence of team members
Eliminate attitudes and behaviors that hold your team back

The process of achieving goals and seeing the results of their achievement gives employees the confidence and self-belief they will need to tackle higher-level tasks and more difficult goals in the future. By teaching your employees how to effectively set and achieve goals, you are transferring a valuable tool that can assist them in both their business and personal lives.

Goal Development Action Steps

Effective goal-setting is a technique and an art. The technique is deciding which goals to pursue and the art is creating the action plan for success. Often goals are not met because of the lack of an action plan and follow-through. Competing or changing priorities can derail the very best intentions.

The following goal development steps will assist you in establishing meaningful goals. Goals that are set and achieved successfully have S.M.A.R.T.S – they are Specific, Measurable, Attainable, Relevant, Timely and Strategic.

Specific: Goals need to be specific, clearly defining what is to be achieved by moving from point A to point B.

Measurable: Goals must be measurable—by time, quantity, quality or volume. One measurement method is to establish a range of accomplishment from threshold to target to stretch. This allows you to determine how successful the employee has been.

Table 1: Five Retention Factors

1	<p>Culture and Work Environment: Does your credit union have strong communication channels? Does your environment foster and encourage open communication, teamwork and inclusion?</p>
2	<p>Compensation: Does your credit union have a market-driven pay philosophy that is perceived as fair? Does your system ensure those who perform the best receive the best rewards?</p>
3	<p>Training and Development: Is your credit union spending development resources to train for today’s needs, but investing too little to prepare for the future? Are you building the bench strength you need for tomorrow?</p>
4	<p>Supervision: Are your department supervisors trained to work with employees, coaching and mentoring, as well as transferring skills? Are your supervisors approachable, reasonable, accessible, knowledgeable and fair?</p>
5	<p>Growth and Future: Does your credit union spend time communicating current and future growth potential to the staff? Do staff members know what the credit union hopes to achieve on behalf of the membership and communities served over the next three years?</p>

Example 1

Goal Statement: Mary will balance and reconcile five general ledger accounts by the fifth business day of the month.

Threshold Goal
4 accounts reconciled

Target Goal
5 accounts reconciled

Stretch Goal
6 accounts reconciled

Attainable: The employees need to know that the goal may require stretch performance, but is still within their reach. Stretch is good, but knowingly setting goals too hard to achieve is setting the individual up for failure. Human nature tells us that employees will try their best when they believe the goal is achievable, but will under-achieve if they perceive the goal as unattainable.

Relevant: In order for your goal-setting program to have credibility with your employees, it must be relevant to the strategic direction of the credit union. In the accounting department, having general ledgers successfully balanced and reconciled each month is a core business function. Assigning a challenging reconciliation goal makes sense in the context of what value the accounting department adds to the credit union.

Timely/Time Bound: Goals need to be tied to a time frame to ensure they can be met. In the following example, the goal is driven by a time factor. In other goals, time is built in, but it is not the main factor.



Example 2

Goal Statement: The human resources officer will fill 10 call center job vacancies with qualified new employees by March 30th.

Threshold Goal
Fill 9 call center jobs

Target Goal
Fill 10 call center jobs

Stretch Goal
Fill 10 call center jobs plus one additional position

Strategic: Any established goal needs to be strategically aligned with departmental and credit union objectives. This is the only way to ensure the “right things” are being done. In order for employees to be fully engaged, they need to know they are contributing to the success of the organization, as you define it. To have employees working on anything less than meaningful goals risks the possibility that the credit union will fall short of top performance.

Achieving Goals and Feedback

Achieving Goals: When a goal is achieved, take time to recognize the achievement and to examine the progress that has been made.

Feedback on Success: Once a goal has been achieved, the feedback turns to the next set of goals. Questions to be answered include:

If the goal was easily achieved, does the goal need to be more difficult next time?

If the goal took a long time to achieve, does the next goal need to be measured in terms of progress checks instead of end result?

Were lessons learned that should influence how we complete the next goal? If shortages in skills and knowledge were discovered while achieving the last goal, what is the plan to fix this?

Feedback on Failure: When a goal has not been achieved, ensure that time is taken to examine the lessons of the failure. Use this opportunity to determine what went wrong in the action plan and identify what it would have taken to achieve success. Questions to be answered include:

Were goals set with unrealistic objectives?

Did participants not apply themselves to the task or were the techniques, skills or knowledge used faulty?

Goal-setting is a powerful tool that helps a credit union engage its workforce to achieve a high-performance work culture. Employees want to be engaged, involved, empowered and recognized. Just look at the five retention factors that help make a desirable workplace for confirmation.

Goal-setting is a relatively simple method for achieving line-of-sight between what is happening on a daily basis and the strategic plans of the organization. Goal-setting can be used in performance reviews, variable pay programs, and commission structures. Try it and see what alignment of individual and institutional goals can achieve in your credit union.