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Cascading to Departmental and Individual Goals

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This note explains the process of translating organizational strategies and goals to departmental and individual metrics that will ensure that individuals, teams and departments across an organization are focused on the most important activities each day that will create the ultimate results that the organization desires in line with its strategy. It should be read by Department/Unit/Team Heads and Individuals before embarking on a process to cascade organizational goals across the organization.

The Goal - A Strategy Aligned Organization

The ultimate goal of any organization is to be strategy-aligned - an organization in which the activities of departments, units, teams and individuals are aligned with the overall strategy and goals of the organization. This level of ALIGNMENT will significantly- increase the likelihood that the organization actually achieves its DESIRED RESULTS.

Strategy-alignment is about ensuring that we not only measure what matters, but that everyone is working towards the same purpose. In a strategy-aligned organization, every employee will see a connection between even the most mundane tasks that they undertake each day and the overall strategic intent of the organization. People will not just be busy for the sake of being busy but will be focused on doing things that actually matter to the organization's ultimate goals.

Strategy alignment can only happen when there is a direct line of sight between what people do each day, and the most important results that the organization seeks to achieve. The idea is simple - when you look at the goals that individuals, teams, units and departments are pursuing, these goals MUST be to a large extent related to the ORGANIZATIONAL goals.

Organizations are hierarchical, so at different levels of the hierarchy, the impact of strategy will be felt differently. For example, Senior Executives and the Top Management of an Organization may have up to 90-100% of their goals completely reflective of strategic goals in any given period, and as you get to lower levels of management, this could drop to about 60-80% for middle managers; 30-50% for non-managerial staff; and up to 10-20% for non-professional or auxiliary staff. These percentages are not cast in stone but can give you a general indication of the proportion of individual

goals that have a direct line of sight to high-level organizational goals. It means that at lower levels of the organization, more items on the performance contracts may not be directly linked to the organization's current strategy and may include other items that more operational than strategic (we will explain this in more detail shortly).

Key Principles for an Effective Cascade

There are a number of key principles and practices that we have found improve the process of strategy alignment and cascades, and we will share some of them here to guide decision makers to improve their strategy process.

- **Carry Your People Along:** The more that your people are involved in the strategy development process, the more effective the cascade process and results will be. Organizations can achieve this by for example getting feedback from employees through a strategy pulse-check at the very early stages of the organizational strategy development process. By getting employees to evaluate the organization's performance and make contributions to the strategy, employees get a chance to actually contribute meaningfully, have their voices heard and can see a greater connection between their realities and the aspirations of the organization.

Also, at the point of performance contracting, use the "performance contracting clinics" methodology where managers sit with their team members to review the organizational/departmental strategy and work together to cascade. (See the Harvard Business Review Case Study by Omagbitse Barrow here: <https://store.hbr.org/product/bolster-your-employee-performance-management-process-with-performance-contracting-clinics/B1105D>)

- **Go Beyond "Business-As-Usual":** Your current job description represents "Business-As-Usual" and is therefore NOT STRATEGIC. When coming up with strategic goals at ALL LEVELS, look beyond your job description - do not "drag and drop items from your Job Description into your score card. Strategy is meant to push the productivity frontier and add new and exciting things to your job description. So, do not look at your job description when coming up with strategic goals - look at what is strategic - new and different ways of doing things and adding value.
- **Use Verbs:** When describing the performance of a goal, use verbs to create clarity. For example, instead of just saying "200 Reports" say "Produce 200 Reports". The verb ensures that there is clarity about what is expected. Without the specific verb, this could be interpreted to mean anything - "Delete 200 Reports", "Review 200 Reports", etc.
- **Ensure Goals are S.M.A.R.T:** When you come up with goals, make sure they are SPECIFIC, MEASURABLE, ALIGNED, RELEVANT and TIME-BOUND. Test your goal statements for each of these five qualities and refine/reject goals that do not meet the criteria.
- **Look for Implied and Derived Goals:** At each level of the cascade, there are two types of goals that emerge - an IMPLIED GOAL that means that just by its nature it is a goal that relates directly to you; and then a DERIVED GOAL - a goal that you support or that you can build other goals from. For example, if there is a goal to build a new App, this will clearly be an IMPLIED goal for

the Information Technology (IT) Department. However, the HR Department may see an opportunity for a DERIVED goal to “hire a new app developer” or “implement training on App Development”

- **Develop Initiatives to support goals:** It is very important to go beyond the goals to actually ask the question - “how will you achieve the goals?” Answering this question will lead you to come up with a number of initiatives that themselves will become sub-goals. If everyone along the cascade process thinks in terms of ‘how’ then there will be sufficient sub-goals and results at each level that can be linked to the strategic goals. The initiatives, sub-initiatives and their own goals now become the responsibility of employees lower down the cascade process. For non-customer facing roles, this process of breaking goals into initiatives is a veritable way to create goals at all levels in the organization.
- **Pass the “Tracking” Test:** When setting goals, you should ensure that in addition to being S.M.A.R.T, the goals also are actually being tracked - is there someone tracking the goal and is the tracking of the goal captured in that person’s goals also? Remember what doesn’t get measured, doesn’t get done and it is very important to ‘inspect what you expect’
- **Track Inter-dependencies:** To ensure that there is an internal alignment between and within teams and departments, organizations should pay attention to tracking interdependencies across departments, units and teams - look out for goals and initiatives where more than one person, team, unit or department is involved, and letting the stakeholders involved know each other and the role that they are to play to support each other to achieve the goals. Inter-dependency tables are a very useful output from an effective cascade process. They will also help reduce the possibility that some goals will not be captured.

Building Your Departmental/Unit/Team Score Card

To cascade from the organizational score card or work plan to the departmental/unit/team, we recommend that you do the following:

1. Identify the implied goals from the Organizational/Departmental/Unit goals that relate directly to your department/unit/team.
2. Break down these implied goals into initiatives, tasks and sub-goals that your Department/Unit/Team will undertake to achieve them
3. Assign responsibilities for each of the initiatives, tasks and sub-goals to different employees within your Department/Unit/Team.
4. Identify opportunities for derived goals - goals that may not have been directly assigned to your Department/Unit/Team that your Department/Unit/Team can contribute to based on the mandate of your Department/Unit/Team.
5. Build the derived goals and then break them down further into initiatives, tasks and sub-goals and also assign responsibilities to team members.
6. Review your previous years’ work plans and goals and identify initiatives, tasks and goals that were not achieved and incorporate them into the current year’s goals.
7. Review the Department/Unit/Team leader’s previous years’ scorecard and goals for items that were not achieved and incorporate them.

8. Discuss other important initiatives and goals that you believe are critical to your Department/Unit/Team even if they are not directly linked to the strategy for the current year. These may be internal projects that you all know will make a difference to the Department/Unit/Team and ultimately the organization, even though they may not have been explicitly mentioned in the strategy for the year.

Building your Individual Score Card

To cascade from your Departmental/Unit/Team score card to your individual score card, we recommend that you do the following:

1. Identify the implied goals from the Departmental/Unit/Team goals that relate directly to you as an individual, as captured and assigned to you.
2. Identify opportunities for derived goals - goals that may not have been directly assigned to you, but that you can contribute to based on the scope of your job.
3. Review your previous years' goals and identify initiatives, tasks and goals that were not achieved and incorporate them into your current year's goals.
4. Reflect on your personal development plans and aspirations and come up with "personal projects/goals" that may not have been explicitly captured by your supervisor that you believe are important and will add value to current or future organizational challenges.
5. Review the organizational strategy and goals and come up with ideas for results that your talents and skills may actually help achieve. The strategic themes for your organization that are usually 3-5 major focal areas may inspire some ideas.
6. Review your job description and get some inspiration for doing things in a differentiated and disruptive manner that you could actually translate into better results for the organization. Do not "drag and drop" the contents of your job description, rather be inspired by them to come up with more strategic goals for yourself.

Creating a strategy-aligned organization is perhaps one of the most important things that you can achieve in your organization. Just adopting some of the principles and processes we have discussed in this note once will significantly increase the level of understanding and commitment that employees have in their organization that will ultimately translate to better results in your organization. Putting them into practice in a disciplined and rigorous manner will capacitate your employees and your organization to be more strategic and achieve the results that matter.

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