

**BUILD A PEOPLE &
PERFORMANCE CULTURE:
QUALITY ANALYSIS OF
PERSONAL TARGETS TO
OPTIMIZE THE LEARNING
AND DEVELOPMENT JOURNEY**



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Executive summary

The main purpose of our ICP project at Vandemoortele entails a quality check of the personal targets of all staff associates to help develop the performance culture in the company. We distinguish three key objectives in this project; a short term, a mid-term and a long term. The short-term objective is to help people understand why and how they need to upgrade (and update) their personal targets. Secondly, the mid-term objective is to make sure leaders can help their teams in updating their targets while following up on their progress using the available tools such as ‘continuous feedback’. Lastly, the long-term objective is to build the right performance culture at Vandemoortele by integrating discipline throughout the whole organization. As a consequence of COVID-19, the given timeframe was shortened which forced us to speed up the goal scoring process and analysis of the personal targets.

Since no quality checks were performed previously, our project should give the company an insight in the quality level of the personal targets in all layers of the company. By providing more insights into the current performance and development process we gained some critical knowledge about the current situation and what further development objectives there were planned out. As supporting tools, the OGSAM method was introduced to ensure a smooth and aligned top-to-bottom targets cascading. In addition, principles such as SMART have been introduced in an earlier stage to staff associates for them to be used as guideline when setting personal targets. We start our report by giving in depth information about both the OGSAM method and SMART principles to provide the correct framework in which this project took place.

To provide as much valuable information as possible, we split the personal targets into ‘goal’ and ‘measure’, as is the case when the employees fill in their personal targets in SuccessFactors, and score them separately on a score of 5 to come to a total score on 10 for the personal target. One employee can have up to six different personal targets, so we take the average of all personal targets as the score for one employee. In total 2423 personal targets were analysed from a total of 606 staff associates. We developed a scoring system that took into account the relevant scoring criteria, which will be elaborately discussed in the methodology. We focussed the analysis of the data on four different levels; the individual level, the department level, the country level and Vandemoortele in total on a company level. By using the department and country averages, we could benchmark these with the total company average to show which departments and countries are doing good and which could improve the most. Furthermore, we

could take the average of scores of the personal targets of one employee and categorise him/her into four different categories: highly improvable, improvable, acceptable and good quality. In the next stage of our project, every employee received a mail which described in which of these four categories they belonged, with specific tips and tricks per department to help them improve their personal target setting. We delivered a general report of the quality level of personal targets, which our project supervisor presented to the Exco. In addition, we delivered country and department specific reports that entailed both quantitative and qualitative information about the goal setting performance of those respective domains, alongside specific tips and tricks to improve the quality level. Lastly, we also delivered team specific results for managers on request, which provided a manager with detailed information of the quality of the personal targets of his/her team members. In our report we will go more in detail about the content of these reports.

Regarding the results of the analysis, 53% of the goals are of good quality being that they score 4 or 5 out of 5. Both the country- and department-specific findings also indicate that goals are greatly aligned with SMART at Vandemoortele as they often meet the requirements. Country wise for the goal setting, Germany has the leading position with an average of 3.56, whereas the United Kingdom finds itself as most improvable country with an average of 2.70. To further improve, all countries are encouraged to keep up the good work and to continuously challenge themselves to ultimately generate better performance. Department wise, goals also appear to be correctly set following the required guidelines. Approximately 65% of the reviewed goals scored 3 (24%) or 4 (41%) out of 5. ENG and QA are the departments gathering the highest scores within 'goals'. For R&D and PROC on the other hand, there is a lot of room for improvement regarding the goal setting.

Contrarily to the goals, only 37,8% of the measures are of good quality. Within the measures, Spain obtains the first place with an average of 3.61 and Germany closes the ranking with 2.55. On the other hand, HR is the best scoring department with an average of 3.67, meanwhile, LEG is ranked last with 2.00. One main conclusion is that measure setting seems to be a cross departmental challenge. Undoubtedly, setting correct measures that will track the progress towards goals appears to be more demanding when the department is mostly made of qualitative data. In order to improve the overall measure setting, every staff associate was asked to go a step further and set very clear qualitative and quantitative measures including a time-bound element whenever possible. We believe that the necessary tools were giving to every concerned employee to support them in their learning and development journey.

The current practices and principles were challenged in the discussion part where we performed a literature review on other existing methodologies regarding personal target setting and strategy execution. The two methodologies we considered were FAST and NLP driven frameworks, with regard to personal target setting. For strategy execution, the Balanced Scorecard and Strategy map are elaborated. Finally, these methodologies were compared to the prevailing practices at Vandemoortele to challenge the status quo and provide new insights for the company.

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List of abbreviations

AES	Associate Engagement Survey
ENG	Engineering department
EXCO	Executive Committee
F&A	Finance & Administration department
GM	General Management department
HQ	Headquarters
HSE	Health, Safety & Environment department
IT	Information Technology, referring to the IT Department
ICP	In-Company-Project
KPI	Key Performance Indicator
LEG	Legal department
LTI	Long-term Incentive
MKT	Marketing department
NLP	Neuro-linguistic programming
OEE	Overall Equipment Effectiveness
OKR	Objective and Key result
OPS	Operations department
P.A	Per Annum
PROC	Procurement department
QA	Quality department
R&D	Research & Development department
SAL	Sales department
SC	Supply Chain department
SKU	Stock Keeping Unit
STI	Short-Term Incentive
UK	United Kingdom
VDM	Vandemoortele

1. Problem statement

Vandemoortele is preparing for an organisational change at “owner” level. In the wake of this generational shift the company reviewed its mission and clarified its long-term commitment. On a broader level the goal for the company is to build a people & performance culture that will support its ambitions. In this optic, we started our ICP having precise and concise challenges to reflect upon. Rapidly, given the external effects of the COVID pandemic our focus quickly evolved in to offering an urgent response to this virus while taking into account the three new strategic focus areas.

The starting point for the people and performance culture was very critical and the existing tools needed to be correctly leveraged. Therefore, VDM started by given much more focus to the existing performance management process and leveraged the SuccessFactors SAP tool. Back in 2019 the first step was to engage 100% of staff in the performance management process (coming from 63% engagement). In parallel VDM moved from 31% engagement in the development management (individual development plans) to 90% for staff people. However, the continuous feedback only reached 47% engagement.

Although some steps were made in the right direction, the performance culture at VDM still faced some considerable challenges. The main challenge entails the fact that no quality check had ever been done to evaluate whether the existing targets were all aligned with the company strategy and goal setting framework. Therefore, it was crucial for VDM to conduct an analysis and a latter integration of the learnings to support all staff associates within their personal development journeys.

The next phase required a thorough quality analysis of all personal targets while ensuring a 100% commitment in continuous feedback and development plans. Also, the pre-existing performance & development process needed to be extended to the company’s full staff associates. As supporting tools, the OGSAM method has been introduced to ensure a smooth and aligned top-to-bottom targets cascading. Principles such as SMART have been introduced in an earlier stage to staff associates for them to be used as guideline in the personal targets setting.

The project firstly has a short-term goal to help people understand why and how they need to upgrade (and update) their personal targets. Secondly, the mid-term goal is to make sure leaders can help their teams in updating their targets while following up on their progress using the

available tools such as ‘continuous feedback’. Lastly, the long-term goal is to build the right performance culture at Vandemoortele by integrating discipline throughout the whole organization.

2. Frameworks of performance culture

2.1. Literature review at Vandemoortele

2.1.1. The OGSM principles applied at Vandemoortele

OGSM is a business planning framework that helps organizations connect their long-term vision and strategy, to their short- and medium-term goals, actions and measures. The OGSM acronym stands for Objectives, Goals, Strategy and Measures. This concept encourages to track progress towards defined objectives while keeping focus along the way. This framework relies on the idea of Management by Objectives by Peter Drucker. According to many, the framework itself has been developed the 1950s by Japanese car manufacturers. Over time, OGSM has been adopted by some of the world's largest companies, such as Procter & Gamble and Coca-Cola (Mindtools, 2020). The OGSM framework can be adapted depending on specific organisational aspects such as: the company's business model, the organisation's structure and culture, the decision-making process and more. Vandemoortele for example, took into account the specificities of the company and its business and added a new dimension to the OGSM framework which ultimately became OGSAM where the A stands for Actions.

DEFINITION OF OGSAM		
O	Objectives	The first step is to clearly state what the organization wants to achieve at corporate level. What is the overall company strategy? The objective needs to be a clarified statement that briefly reveals how it will be strategically achieved.
G	Goals	Next, there need to be three or four quantitative goals which express what success looks like for the previously set objective. Goals need to be SMART – specific, measurable, attainable, realistic and time-bound. It is important for the whole organization to use a common and clear language as it will help all team members to understand what is being proposed and increase their buy-in to decisions.
S	Strategies	Once the objectives and the goals are established, the next step is to outline how they will be achieved. These are the individual strategies that will ensure that the SMART goals are reached. There need to be at least three to five strategies which are often fixed for more than one year. Do not confuse these team- or personal strategies with the organization's top-

		level plan which is described in the objective. Strategies at Vandemoortele also guide the actions (annual objectives) and the allocation of limited resources across the organization.
A	Actions	Actions on the other hand are words that describe the execution of the above-mentioned strategies. Who will do what by when is key within this aspect. These actions are very detailed and are typically on a one-year horizon.
M	Measures	Lastly, measures will track the progress towards the stated goals and therefore also towards the global goal. Measures will also reveal whether the chosen strategies are working and whether they will help achieve the goal within the expected period.

At Vandemoortele, the framework is developed and cascaded from top to bottom therefore, it's crucial to include all key stakeholders into the process. To develop an OGSAM the prevailing company business results are defined through an assessment by country and functions. The Senior Management will define the objectives in business words. Goals will follow described with numbers. Strategies and actions to achieve the goals are defined with words. Finally, measures will also be numbers. When completed, the OGSAM process is then cascaded to a next level who will take into consideration the general direction before specifying what their personal contribution will be to get there. For each level within the business, the OGSAM document will be a one-page document that is clear, simple and agreed upon by everyone.

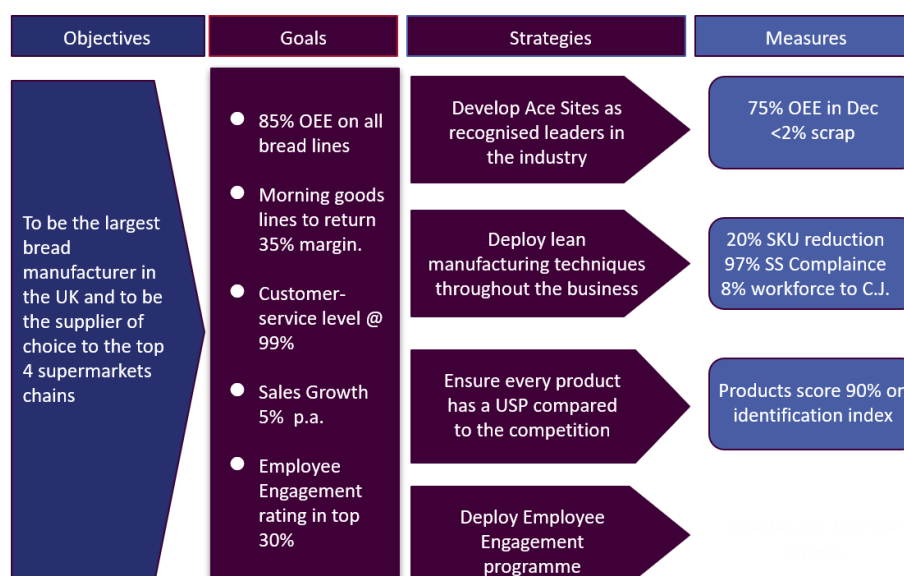


Figure 1. OGSAM example (source: Sageflow)

2.1.2. The SMART principles applied at Vandemoortele

In the organisational world the SMART acronym is a very familiar concept thanks to the findings of the 1953 Yale Goal Study as well as the 1979 Harvard Written Goal Study (MacLeod, 2012). According to psychology, people who take the time to write down their objectives on paper tend to live happier lives, experience less depression, and live longer on average than those people who don't set goals. The theory of goals as reference points (Heath, Larrick, and Wu 1999) supposes that *"the desired end state of a goal serves as a reference point during goal pursuit, producing a "value function" (Kahneman and Tversky 1979) that drives motivation as a function of distance to the goal end state. Because the value function is steeper closer to the reference point, as consumers accumulate goal progress (i.e., grow closer to the goal's end state), each unit of marginal goal progress is perceived to have a greater impact on the overall goal, and this increases subsequent motivation"* (Wallace, Etkin, 2018, p. 1033) . In this way, SMART is a supporting tool to convert ideas into meaningful goals (Boe, 2011). In the literature SMART commonly stands for: Specific, Measurable, Attainable, Realistic and Time-bound.

Specific

Specific goals will clearly state what needs to be achieved providing detailed yet simple and understandable information. The more a goal is specified the more you will stay on the right track while directing your efforts and resources towards it.

Measurable

Measurable goals answer the questions: how much, how often and how many? Goals should always be quantifiable in order to easily track their progress. Attaching quantitative KPI's to goals will reveal whether you are still on track excluding any form of personal interpretation regarding the goal achievement.

Attainable

For attainable goals you should explain exactly how the goal will be realized with the actions you will take in order for it to be more pragmatic. The SMART's "A" at Vandemoortele stands for Assignable instead which expresses the desire to assign the goal to the person that will execute it.

Realistic

Realistic business goals are based on the current conditions. They are relevant for your operation and business climate as they have a realistic long-term importance for your company.

Time-bound

Very simply, time-based refers to the date and time you expect to achieve the goal. This means setting deadlines to instil a sense of urgency, so you can properly prioritize.

When addressing each aspect of the initials in SMART goals, the anticipated result is a clearly defined direction for employees, and a well-set timeline to overcome procrastination and motivate employees to stay on track. Generally, posting SMART goals somewhere visible for the team to see daily can be a helpful reminder for them to stay focused on the targeted results. At Vandemoortele right now goals are not yet shared as everyone is still finding the right way to make their goals smarter. Even though, SMART is a very straightforward framework it is often considered as banal or insufficient as it only considers the phrasing of a goal rather than its content (Grote, 2017). To overcome this, it is suggested to use tools such as Continuous Feedback. This continuity of exchange and follow up discussions between leader and associate will enable all associates and the managers to check whether the goal content is relevant business wise, monitor progress, take actions, measure results and develop the professional capability.

However, the SMART technique can encourage people to set low goals. When phrasing the goal as Attainable and Realistic managers and staff associates can easily justify the rather low level of challenge (Grote, 2017). Therefore, making a goal Attainable and Realistic should not display a lack of ambition because setting high goals generates the greatest levels of effort and performance. Similarly, several recent articles have argued against stretch goals and recommended incremental targets instead (Sull, Sull, 2019). When goals are attached to any form of compensation or bonuses it will reinforce the conservative goal mindset as employees will set 'too easy' goals that are sure to be achieved and thus sure to get the financial or non-financial reward attached to it. This will lead to focusing merely on the short-term success and undervalue the employee's potential as no one will be challenged to do more than expected. In this way, many will miss valuable opportunity for growth and will never know what exactly they are capable of. Other concerns regarding SMART goals is the 'all-or-nothing' approach. SMART goals are seen as a complete entity, when unable to achieve a certain part of it you can easily give up the entire goal and become discouraged (Wang, 2017).

It is crucial to take every aspect into consideration when thinking about adopting the SMART framework as it includes many important elements. SMART goals can serve as checkpoints during employee's professional journeys to keep them on the path toward success. It is

important to measure progress by growth and effort as well, because it is the growth and learning along the way that are of the most value (Wang, 2017).

2.2. Impact of COVID-19 on Vandemoortele people and performance culture

2.2.1. VDM initiatives

To develop the appropriate approach and actions to build its people and performance culture, Vandemoortele started from the business strategy and gathered facts and figures to understand the current business situation to ultimately identify the direction the company should take.

The main inputs for this assessment were both the articulated business strategy and the ambition of the Profit 4 Growth initiative as well as the output of the Associate Engagement Survey and the results of the regular pulse check. Additional inputs came from a listening tour with the internal stakeholders (Exco members, HR, unions etc.) and from interviews with different external experts (head-hunters, consultants, etc.).

Based on the obtained information a SWOT analysis was made and seven priorities were identified:

1. Strong people & performance culture
2. Simpler governance & organization
3. Performance & reward management
4. Talent development
5. Two-way communication
6. Empowering leadership
7. Enhanced employer attractiveness

In order for Vandemoortele to focus and communicate easily on these priorities three major initiatives were developed: People for growth, Growth for people and Leaders for growth.

People for growth

This initiative is mainly focused on performance and reward management. Within the performance management the aim was to increase staff involvement starting with an initial involvement of 61% in 2018. Conjointly, Vandemoortele intent was to increase the involvement in performance management of support people which went from 54% in 2018, to

65% in 2019 to already 85% in 2020 (goal being 70%). Additionally, the quality of the targets needed to be reviewed and then updated. This was the main assignment our ICP was focused on. The company also introduced the OGSAM methodology discussed earlier. The OGSAM framework was successfully cascaded in 2020 with clearer and SMART-er targets throughout the whole organization. Another important part regards the improvement of continuous feedback by associates and leaders where a higher participation rate is observed from 20% in 2018, to 50% in 2019 and targeting 100% in 2020. Referring to the second part of the reward management the goal is to close the main reward gaps in base salary and simplify the STI/LTI structure for executives.

Growth for people

After assuring that all staff associates were handed in the correct tools and support within performance and reward management the focus shifts onto enhancing the associate engagement and professional development. The aim here is to increase staff involvement in development management. Vandemoortele started with 21% involvement in 2018 and evolved to 90% in 2019 and 95% in 2020. Secondly, the purpose in development management was to increase the involvement of support people from +/- 20% in 2018, to +/- 50% in 2019 to 70% in 2020 (actually being 85%). Talent & career development being one of the hot topics, Vandemoortele developed its own professional journey concept and language. This newness was brought to life into the continuous feedback approach and in SuccessFactors as a new element, linked to the yearly people talent review. The results of the AES confirmed that the company have to close the gap on sustainable engagement from 76 to 78. In response to this, more than 200 detailed action-plans have been identified and are followed up. The focus areas for overall actions are communication, development, performance and leadership. A follow-up AES will be completed later in 2020 in October. The overall communication throughout the organization was simplified. Therefore, the messaging is closer to the operatives and more presence is ensured on the 'job-floor' through townhalls. Other initiatives such as management conferences are also highly appreciated by all employees.

Leaders for growth

Based on the need to improve their leadership approach, Vandemoortele asked 600 staff associates what they would expect of a great leader. They gathered 1000 different inputs which were consolidated in a '9 box leadership model' driven by the company's values and ambition on one hand and by their focus on people, performance and leaders on the other. In this optic,

a leadership training was initiated mid of 2019. Since January 2020 the company is rolling the program out for all staff-leaders. Currently about 100 people are participating in this leadership journey, composed of a 360° training, group-coaching, webinars, N+1 follow-up and other commitments. Another need for a training program for the first line managers was identified from the internal Make & Bake assessment. A 18 months trajectory is currently being build and should be launched after summer 2020. The initial monthly pulse check, started early 2019, have been extended to a broader audience in the organization and are now taking place on a quarterly base. The pulse-checks make sure that everyone prioritizes the correct initiatives while being able to manage the workload, recognition, cooperation and other aspects.

2.2.2. COVID-19 at Vandemoortele

In the wake of the COVID pandemic, Vandemoortele was and is still confronted with new challenges. The previously described people for growth initiative got into an acceleration as the company proactively wanted to adapt their performance and reward management system. Aside from the initiatives already present in the organization it was crucial to provide clear guidelines to employees during the COVID crisis. It was internally agreed that from now on the company would focus on three new goals to support the post-COVID reality. These projects are;

1. Cost management
2. Cash management
3. Restart the business and continue strategic projects and stop or delay less essential initiatives.

As a consequence of these COVID adjustments, our project also took a turn into that direction. We needed to assist Vandemoortele providing a clear and simple communication tool. The company opted for a poster to be send out per e-mail to all employees. Hence, two posters were made, the two delivered different messages. The first poster titled 'Performance and Development @ Vandemoortele' as shown in appendices, was made of four parts, the first part touched upon the COVID-19's business & financial impact which required the company to refocus and redefine their targets including the three new goals (cost management, cash management, restart the business). Secondly, employees were reminded that they should redefine their targets in a SMART way using the specific tips and tricks we provided from the quality analysis. In the third part we highlighted the importance of constant continuous feedback. Continuous Feedback enables all associates to monitor progress, take actions and

develop their professional capability. Lastly, the poster mentioned what employees needed to keep in mind in terms of career and professional development. Meanwhile, the second poster had a very different topic and audience. The second poster titled ‘The New Bonus (STI) Program’ as seen in appendices, was directly solely to staff associates. The message here was also very clear and concise. Starting from the COVID-19’s impact on the company business and financial performance we explained how concretely the new bonus system looked like. The changes were based on Vandemoortele values and principles. We included a visual representation of the alteration as seen on the figure below.



Figure 2. Visual representation of the Bonus (STI) changes

To conclude, we briefly discussed the mechanism behind the new bonus system and provided clear example illustrating before- and after-COVID scenarios.

3. Methodology

3.1. Methodology summary

Within Vandemoortele and as a result of the performance culture, all staff associates have to set personal targets which are linked with the bonus system. A personal target consist of a 'Goal' in which the employees describes the subject of what he/she wants to achieve and a 'Measure' in which the employee should explain how he/she will measure the progress in achieving this goal. The process of setting these personal targets is coordinated by an employee's direct manager. This means that together with their direct manger, an employee sets certain goals which they will focus on during the year, which are aligned with the different projects and strategies within his or her team or department. Concretely, each staff associate can set up to six personal targets. Each personal goals has a weight attached to stress out the importance of the particular goal. In reality, we also observe the fact that different goals were put into one goal, meaning that this goal has several different layers. Once the personal goals have been discussed, the employee posts them in SuccessFactors, where they are visible for their direct managers and the HR department who need to have access to these goals. If all goes according to plan, the direct managers review the progress of his team members' personal goals and can provide continuous feedback along this journey.

This is where our project started. We received an extract of all personal targets of all staff associates. As discussed earlier, a personal target consist of a 'goal' and a 'measure'. To provide as much valuable information as possible, we decided to analyse both 'goal' and 'measure' separately to provide feedback on which aspects of a personal target the employees can improve most. To start our quality check of these personal targets, we had to firstly distinguish the scoring criteria and secondly create a scoring method that scores all different departments based on the same criteria. Since the given timeframe was a limitation to the project, we did not have the possibility to score all personal targets individually, so we split up the 2423 personal goals between the three of us. To counter the biases of reflexivity and credibility of our analysis, we scored 100 personal targets together to elaborate and further discuss our scoring system to align our scoring methods to the best possible extent. By providing each other with continuous feedback and discussions, we minimized the potential differences between the different scorers to the best possible extent. When randomly selected personal goals were checked for their score, we did not found any major errors, which does not endanger the credibility of our scoring system.

Once all personal targets were scored, we could start using the data to collect some valuable insights. We focussed the analysis of the data on four different levels; the individual level, the department level, the country level and Vandemoortele on a company level. By using the department and country averages, we could benchmark these with the total company average to show which departments and countries are doing good and which could improve the most. Furthermore, we could take the average of scores of the personal targets of one employee and categorise him/her into four different categories: highly improvable, improvable, acceptable and good quality. By using these figures, we could help managers in pinpointing which team members had good quality personal targets and who had improvable personal targets. Furthermore, we created a qualitative list with best and improvable practices which contains hands-on tips & tricks to improve the personal target setting.

Once the analysis was done, we could make different kinds of reports; a complete report for the entire company, a department specific report, a country specific report and team specific reports. The latter contains valuable information for a manager with all the relevant information about the personal targets of their team members, both quantitative and qualitative. By benchmarking a team to the department or country average and the company average, we could provide insights in how the target setting of that team scored in comparison with the rest. Additionally, we provided tailored tips and tricks and good and improvable practices to give the employees an overview of what specifically they can do to increase the quality of their personal targets.

In the following chapter, we elaboratively discuss the methodology used in our project.

3.2. Methodology – detailed explanation

3.2.1. Introduction to personal targets

To check the quality, stretch and alignment of the personal targets of the staff associates, we base the analysis on the input provided by staff associates into SuccessFactors, which is a primary data source. To create a better working document, we worked in an Excel file which provided us the necessary tools to easily score, compare and look up different personal targets. To succeed in analysing the quality level of the personal targets of all staff associates, we needed to transform the qualitative data into quantitative data, in order to compare different countries and departments with each other. In this practice, we created a scoring system, as seen in table 1, to evaluate a personal target based on the SMART-principles, the presence of

a measurable KPI, the presence of a specific deadline when possible, whether or not there is a weight attached to the measure, the explicitness, simplicity of the personal target and whether it is aligned with the OGSAM priorities. By using an ordinal scoring scheme we based ourselves on the principles of the Linkert scale, we split up a personal target into one of five categories, which allows us to give a different score to the data to categories the data into the five different categories as shown in table 1 (Mortelmans, 2007).

Given score on 5	Meaning of score
1	Much room for improvement
2	Improvements possible
3	Somewhere in the middle, has positive & negative elements
4	Good
5	Excellent

Table 1: Explanation of scoring system

To clearly define where a personal target could be improved, we opted to split the personal targets into ‘Goal’ and ‘Measure’, as is the practice in SuccessFactors, and opted to score both ‘Goal’ and ‘Measure’ separately. By doing so, a personal target is being analysed on the goal itself and how this goal will be measured. In practice, this means that for one personal target, we give a score to the Goal on 5 and to the Measure on 5. The sum of the score on Goal and Measure, gives a score on 10. The maximum score a personal target can receive is a 10 out of 10, the minimum score it can receive is a 2 out of 10.

In total 2423 personal targets of 606 staff associates needed to be analysed. To cope with both the reflexivity and credibility of the analysis, ideally all personal targets would be scored by all three of us and the average score of those three scores would be used to further analyse the current project (Roose & Meuleman, 2014). However, since the duration of the In-Company Project is limited to eight weeks and scoring all 2423 personal targets three times would be too time consuming regarding the new deadlines as a consequence of the COVID-19 reality, we opted to approach the analysis slightly different, while minimizing the reflexivity and credibility issues to the best possible extent regarding the given timeframe. The reflexivity of qualitative research is a qualitative research criterium that needs to be taken into account when different observers are scoring qualitative data, because one individual can interpret a personal goal differently than another observer (Roose & Meuleman, 2014). To counter this reflexivity issue, we decided to score the first 100 personal goals together to elaborate and discuss the

scoring criteria that we use in our analysis. By extensively discussing and evaluating the scoring criteria, we developed the scoring criteria as discussed earlier. Furthermore, once a department was completely scored, we took the time to double check a couple of personal targets which were randomly selected to check whether there were no reflexivity issues. By randomly checking several personal targets from time to time, we manage to minimize reflexivity and maximize the credibility of our scoring system to the best possible extent in the given timeframe.

3.2.2. Scoring system: One size fits none

Creating a “one size fits all” scoring system to analyse the personal targets of all staff associates would be the best approach according to the literature (Roose & Meuleman, 2014), however for this project, we need to be aware that personal targets can differ between different departments. More specifically, as shown in table 2, we analysed personal targets of the following departments; Engineering, Finance & Administration, General Management, Human Resources, Health, Safety & Environment, IT, Legal, Marketing, Operations, Procurement, Sales, Quality, Research & Development, Supply Chain and Sustainability.

Department	Number of personal targets	% of total personal targets
Human Resources	121	4,99%
Sustainability	4	0,17%
IT	131	5,41%
Engineering	38	1,57%
Finance & Administration	192	7,92%
Quality	119	4,91%
General Management	132	5,45%
Operations	380	15,68%
Marketing	185	7,64%
Sales	665	27,45%
Supply Chain	200	8,25%
Procurement	64	2,64%
Health, Safety & Environment	34	1,40%
Research & Development	132	5,45%
Legal	26	1,07%

Table 2: Personal targets per department

When comparing the qualitative data within these departments, we reckon that a “one size fits all’ scoring system will not benefit the outcome of the analysis. For example, the personal targets from the sales department contain more numerical personal targets (e.g: “Grow the sales volume by +2.3%”) while other departments such as HR, Legal and R&D are far less

numerical. Therefore, a “one size fits all” scoring system will not work optimally. When taking a look at the various departments, we concluded that the content of a personal targets in different departments show a big variety, hence it would be important to keep in mind the specific goals, strategies and projects within a certain department. Consequently, when scoring the personal targets, we used the same criteria for every personal target within that department. This means that for example the entire Operations department was scored based on the same criteria, as it is the case in the other departments. Concretely, giving the different nature of the departments explained above, we slightly tailored our scoring in the light of the department itself. This was made to make sure that we took into account the different strategies, goals and projects while still being able to compare all the departments as the same scoring criteria were used for the whole company.

3.2.3. Post-scoring data optimisation

Once all the personal targets of the staff members received a score on both goal and measure, we started to analyse the data by focussing on several different aspects. We looked at four different levels when analysing: the individual level, the department level, the country level and the general company level. By creating individual averages, department averages and country averages, we could visualise the current situation in those respective areas. By focussing on the individual level, we could provide an answer to the question: How many people have high- and low-quality personal targets. We labelled the total individual scores into four different categories: highly improvable (scoring 2-5 out of 10), improvable (scoring a 6 out of 10), acceptable (scoring a 7 out of 10) and good quality (scoring 8-10 out of 10). By categorising the scores of the personal targets, the company can send out different feedback to employees in these respective categories with information on how to improve their personal targets. By focussing on the department averages, we can benchmark the different departments with both each other and the company average to analyse which departments are performing better and which are performing worse than the company average. This way of working gives the company the opportunity to address the departments that can improve the most and department specific reports could be provided to dive deeper into why this department is scoring worse than the company average. The same logic applies to the country level. Taking the average country scores allows us to compare which countries are performing better and worse than the company average. By doing this, we can focus on the different departments within a certain country to analyse in which departments can improve within a certain country.

By focussing on these different layers, we can make tailored reports that give specific quantitative information in combination with specific improvement tips and tricks.

3.2.4. Reports: providing insights and feedback

To provide Vandemoortele with valuable feedback, we split up our analysis into four different key aspects: an overall report showing the facts and figures about the personal targets for the entire company, department specific reports including tips and tricks tailored to that department, a country specific report with a deeper split-up between the different departments in that specific country and tailored reports for managers and their team with tailored information about that team and tips and tricks to improve their personal target setting. The content of these reports mainly have the same structure: we first analyse the ‘Goal’ and provide quantitative and qualitative feedback. Secondly, we analyse the ‘Measure’ and provide quantitative and qualitative feedback. Lastly, we provide the individual scores of everyone in that particular team, with their average score on ‘Goals’ (/5), average score on ‘Measure’ (/5) and the total score of personal targets (/10)¹. We use the overall average of the entire company as a benchmark to compare the different departments and the different countries. Furthermore, throughout the analysis, we make a distinction between ‘goal’ and ‘measure’ to show which aspect of the personal targets can improve the most. Since this might be different depending on department and/or country, it might give valuable insights to where the focus on future personal target setting needs to be. In this split-up between ‘goal’ and ‘measure’ we also provide the percentage of how many goals scored a 5/5, 4/5, 3/5, etc. as showed in figure 3. By providing the distribution of the scores, it helps visualising the amount of good goals, receiving a score of 4 or 5, and less good goals, scoring a 1 or 2. In this example, it is easily visible that 80% of the goals in Santa Perpetua are good quality, scoring a 4 or 5 out of 5.

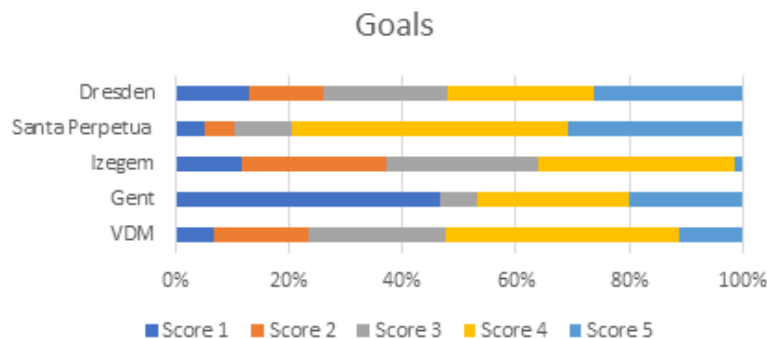


Figure 3. Example of score distribution for Goals

¹ The ‘Goal’ is scored on 5, the ‘Measure’ is scored on 5. The total score of the personal targets is the sum of ‘Goal’ and ‘Measure’.

To give more information about which production plant² is doing good when it comes to personal goals setting, we provide the averages on goals and measures of the different locations, departments or teams that are valuable for this particular report. The averages of figure 3 are shown in table 3.

	Average Score
Dresden	3,39
Santa Perpetua	3,95
Izegem	2,88
Gent	2,73
Vandemoortele	3,33

Table 3: Average score on goals split up between locations and the overall Vandemoortele average.

Next to quantitative feedback, qualitative feedback about goals and measures were also provided in these reports. The qualitative feedback contains tips & tricks for both goals and measures tailored to the respective team that has been analysed. A brief description with information about how goal setting and setting measures can be improved alongside an example that show an improvable practice and an example that scored good for that particular subject.

The last part of a report contains a table with the average score on goal, the average score on measure and the total score of personal targets per person individually, as shown in table 4. To benchmark the individual scores, we also provide the team average so that it clearly visualises who scores above or below the team average. This way of working provides the team manager with easy access to which person needs to improve his/her personal targets the most. Furthermore, by providing the split up between the score on goal and the score on measure, it is clearly indicated which aspect of personal target setting can be improved the most.

Name	Average score on Goal (/5)	Average score on Measure (/5)	Total score of Personal Targets (/10)
Gacon Edwin	2.60	3.20	5.80
Mortier Chantal	2.50	3.50	6.00
Kuhn Franziska	3.25	3.50	6.75
Team DRESDEN	3.39	3.65	7.04
Scharte Anja	4.25	4.00	8.25
Petschick Julia	5.00	4.25	9.25

Table 4: Detailed representation of average scores per person

² In this particular example, we distinguish 4 different locations within the Operations department (3 production plants and Gent as the HQ). The distinction is made for every report individually, to provide the best possible insights for managers and their team.

An example of a team report can be found in appendix 3. During the ICP, we made 9 team specific reports, 3 department specific reports, 5 country specific reports, one preliminary report halfway the project and one final report.

4. Quality Analysis Results

As previously mentioned, once our methodology was determined, we chose the ‘one size fits none’ scoring system as it was the optimal system for our project. Just after all personal targets were scored, we initiated the analysis distinguishing four different levels: the general company level, the country level, the department level and the individual level. In this paragraph we solely focus on the first three levels in such we provide a Vandemoortele general overview, a country comparison and finally a department comparison. The individual comparison was essentially to support managers guide their team members more personally.

4.1. Vandemoortele general overview

As seen on the figure below, the total personal targets score distribution at Vandemoortele is as follows: 28.93% scored between 2 and 5, 25.92% scored a 6, 17.54% scored a 7 and 27.61% have a score between 8 and 10.

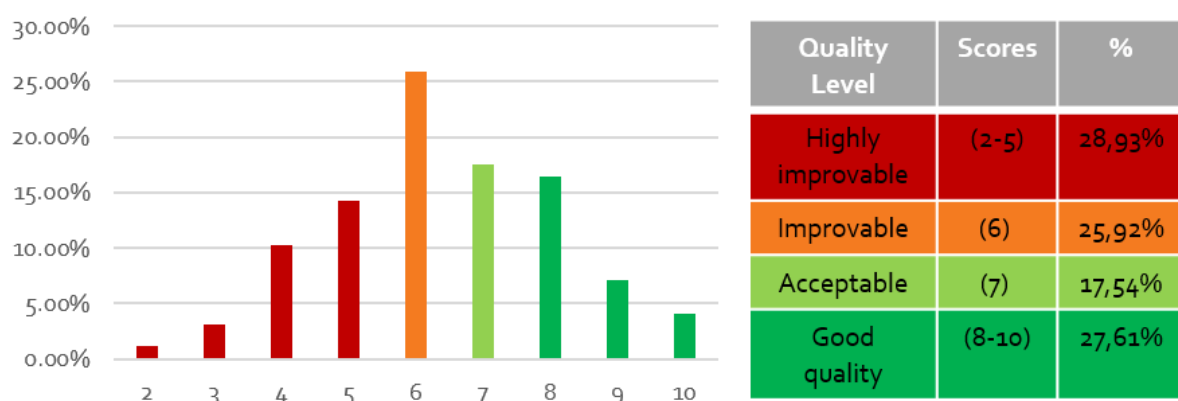


Figure 4: VDM personal targets score distribution

The first category of scores (from 2 to 5) shows that 28,93% of all personal targets are highly improvable. Unfortunately, these personal targets are not fully aligned with the SMART principles and can be tremendously improved if one or more of the smart guidelines were applied to both goals and measures. Moving on, the vast majority of the personal targets reviewed scored a 6 (25,95%) and are considered to have an improvable quality level. The personal targets within this range have a high potential. The analysis revealed that typically the main challenge is to simultaneously align goals and measures with the SMART principles. This issue can be greatly improved if particular attention was paid to the specificness of the goals which have to concretely answer the question ‘What will we accomplish?’. Whereas, measures track the progress towards these accomplishments with specific KPI’s and targets (qualitative and quantitative). By adding deadlines and concrete time related elements, to both goals and

measures staff associates will improve their goal and measure setting for the better. The third group, which scored a 7, is considered to have an acceptable quality level. These personal targets are mostly aligned with the SMART principles. To jump a step further all staff associates are invited to challenge themselves and set high goals and measure as they generate the greatest levels of effort and performance (Sull & Sull, 2018). In this way, many will have valuable opportunities for personal growth and will know what exactly they are capable of (Wang, 2017). The last group composed by all personal targets scoring between 8 and 10 are (27,61%) considered of good quality level. Staff associates within this range are encouraged to keep the good work as their goals and measures are greatly aligned with the SMART principles.

Another important distinction from the quality analysis is that ‘goals’ score higher than ‘measures’ on average. The goals setting is generally more aligned with the SMART principles while measure setting seems to be a cross-department challenge. The figure below illustrates the score distribution of VDM personal targets.

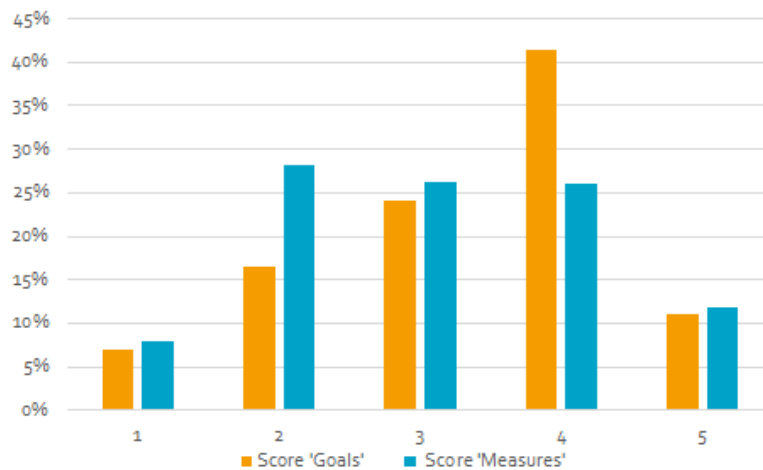


Figure 5: VDM personal targets distribution Goals vs Measure

A quick department comparison illustrates that 8 out of 15 departments have an inferior score compared to VDM’s average. On the other side, 7 out of 15 departments, have higher scores than VDM’s average. HR takes the first place with the highest average score of 7.32 out of 10, whereas, LEG has the lowest score of 5.50. A detailed department analysis will be provided in the upcoming paragraphs.

4.2. Country comparison

As mentioned previously, personal targets were split into goals and measures to provide a greater level of detail. Hence, in this paragraph, we will make a distinction between countries

comparison- goals and countries comparison-measures. A priori, it is important to keep in mind that countries can have substantial differences towards the number of personal targets. Belgium for example has 1084 reviewed personal targets while the United States only have 14 reviewed personal targets. These differences in amounts of personal targets have to be evaluated in perspective when working with country averages. For example, in the USA, one bad score on a personal target can have a bigger impact on the average than is the case in Belgium. The country specific results can be seen on appendix 4 titled *country comparison results*.

A) Countries comparison – goals

Concerning the goal setting, VDM as a whole has an average of 3.33 (out of 5). Six countries are situated on the left-hand side of this score as they scored higher than average. Within this group we find Germany (3.56), Spain (3.42), Poland (3.40), Italy (3.37), Belgium (3.36) and France (3.34). Contrarily, on the right hand-side we identified the following five countries which scored lower than average: Hungary (3.30), the Netherlands (3.30), Czech Republic (3.08), the United States (2.86) and the United Kingdom (2.70). Germany has the leading position with an average of 3.56, whereas the United Kingdom finds itself as most improvable country with an average of 2.70. Overall, all countries goal setting seems to be aligned with the SMART principles being that all countries have scores higher than 2.5. To further improve, all countries were encouraged to keep up the good work and to continuously challenge themselves to ultimately generate a better personal performance. A detailed score distribution amongst the countries is illustrated in the figure below.

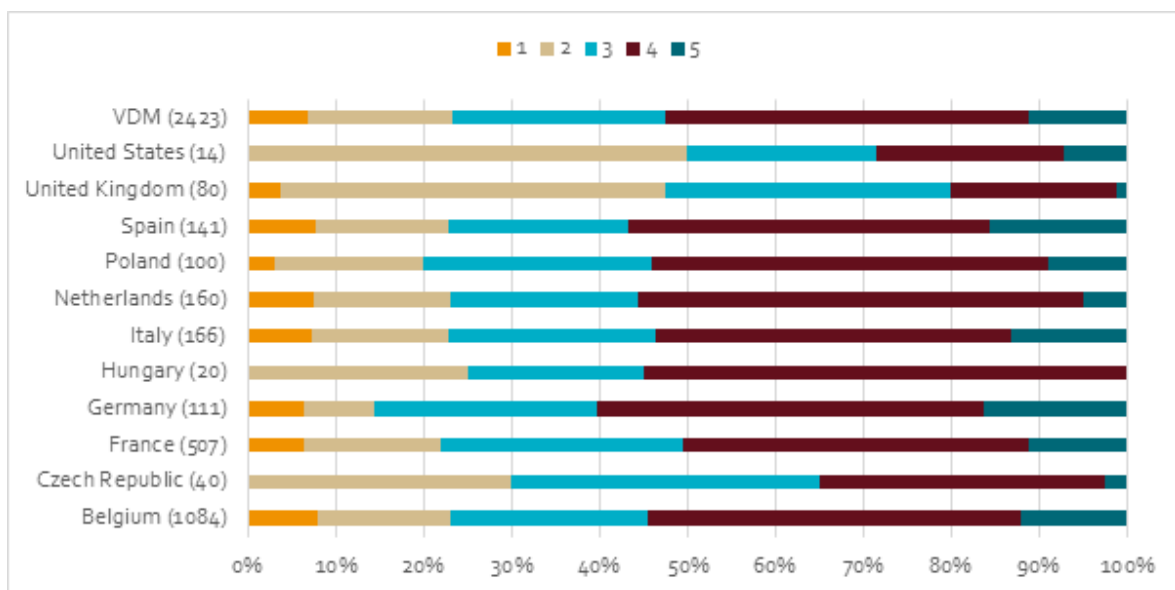


Figure 6: Goals – countries score distribution

B) Countries comparison – measures

Touching upon the measure setting, VDM as a whole has an average of 3.06 (out of 5). This is already lower than the average the company had for the goal setting. The countries on the left hand-side within the measures are Spain (3.61), Italy (3.37), the United States (3.29), the United Kingdom (3.20), Poland (3.13) and Belgium (3.07). Whilst Czech Republic (3.05), Hungary (3.00), France (2.99), the Netherlands (2.59) and Germany (2.55) scored lower than VDM's average. Here, Spain obtains the first place with an average of 3.61 and Germany closes the ranking with 2.55. It is important to notice how countries that had high scores for goals appear to struggle with measures. Germany for example is leading the goal setting while being last within the measure setting. This phenomenon is widely spread across the organization and is due to the fact that staff associates generally struggles more with making their measures SMART. A detailed score distribution amongst the countries is illustrated in the figure below.

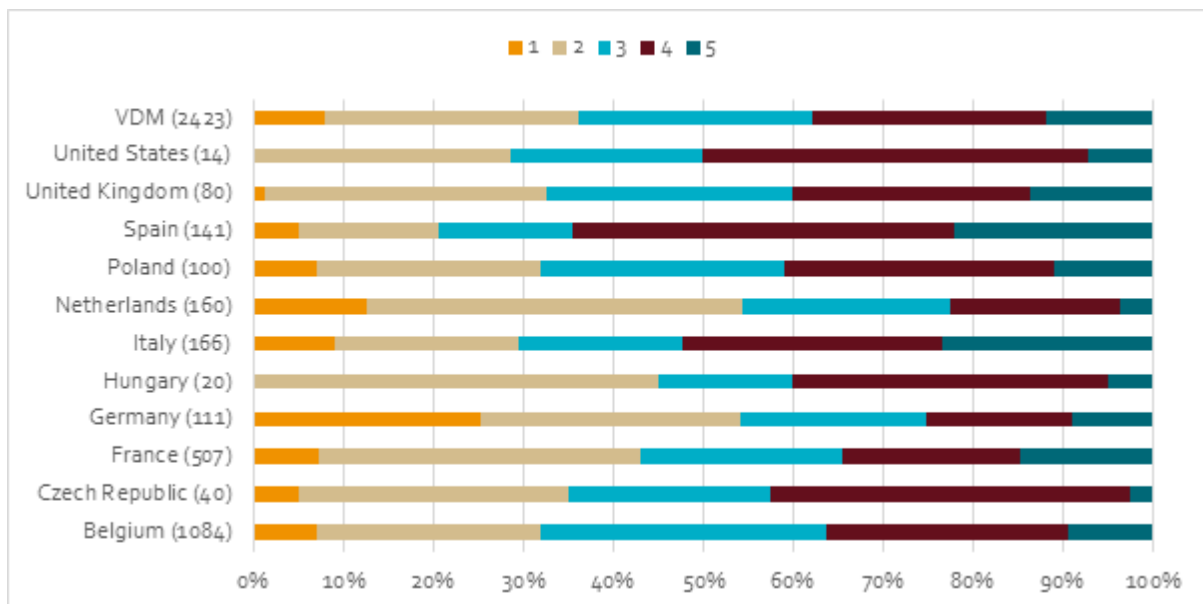


Figure 7: Measures – countries score distribution

4.3. Department comparison

The goal and measure distinction also apply to VDM's departments. We will first discuss the goal setting among the departments, thereafter, we will tackle the measure setting. The complete results can be found in appendix 5 entitled *department comparison results*.

A) Department comparison – goals

Majority of the departments are doing better than VDM's average score of 3.33 (out of 5). Sustainability is awarded the first place with its 3.75 score, followed by HR (3.65), IT (3.64),

ENG (3.63), QA (3.57), LEG (3.50), OPS (3.46) F&A (3.44), HSE (3.35) and finally GM (3.34). Five departments on the other hand; SAL (3.26), MKT (3.24), SC (3.09), PROC (2.94), R&D (2.93) scored lower than average. Department wise, goals are very much correctly set following the SMART guidelines. Approximately 65% of the reviewed goals scored 3 (24%) or 4 (41%) out of 5. ENG and QA are the departments gathering the highest scores within 'goals'. For R&D and PROC on the other hand, there is a lot of room for improvement regarding the goal setting. The detailed scores are portrayed in figure 8.

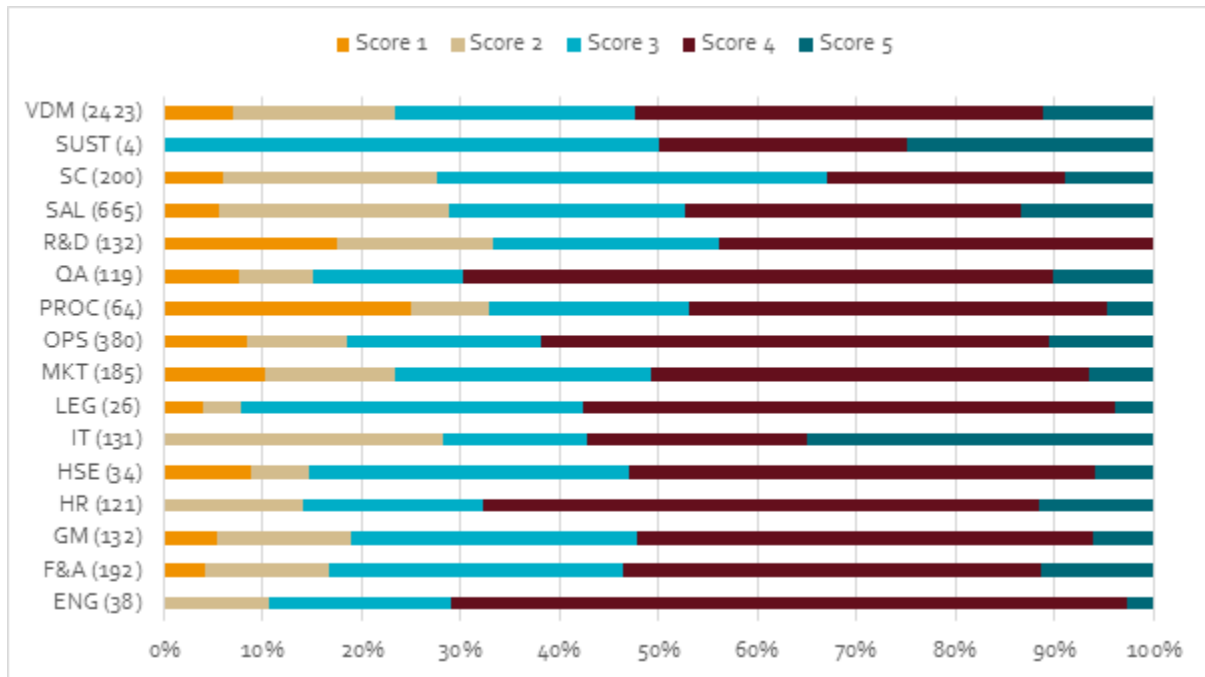


Figure 8: Goals – department scores distribution

B) Department comparison – measures

The measures are not always aligned with the SMART principles. The analysis revealed a cross departmental challenge within the measure setting. The departments are ranked as follows: HR (3.67), SUST (3.50), F&A (3.33), IT (3.30), ENG (3.26), GM (3.26), PROC (3.22), QA (3.12), SC (3.10), MKT (3.06). After this comes the company average which is 3.06. On the right hand-side we find SAL (2.93), OPS (2.90), R&D (2.85), HSE (2.47) and LEG (2.00). HSE and LEG are the two departments that need the most support for their measure setting as we notice a big improvement potential. Like these two, some other departments struggle because of the nature of their functions. Undoubtedly, setting correct measures that will track the progress towards goals appears to be more challenging when the department is mostly made of qualitative data. This does not insinuate that quantitative department score higher, as it is not the case for SAL for example which always scored lower than average. In order to improve the

overall measure setting, every staff associate was asked to go a step further and set very clear qualitative and quantitative measures including a time-bound element whenever possible. The next figure features the detailed score distribution across the measures.

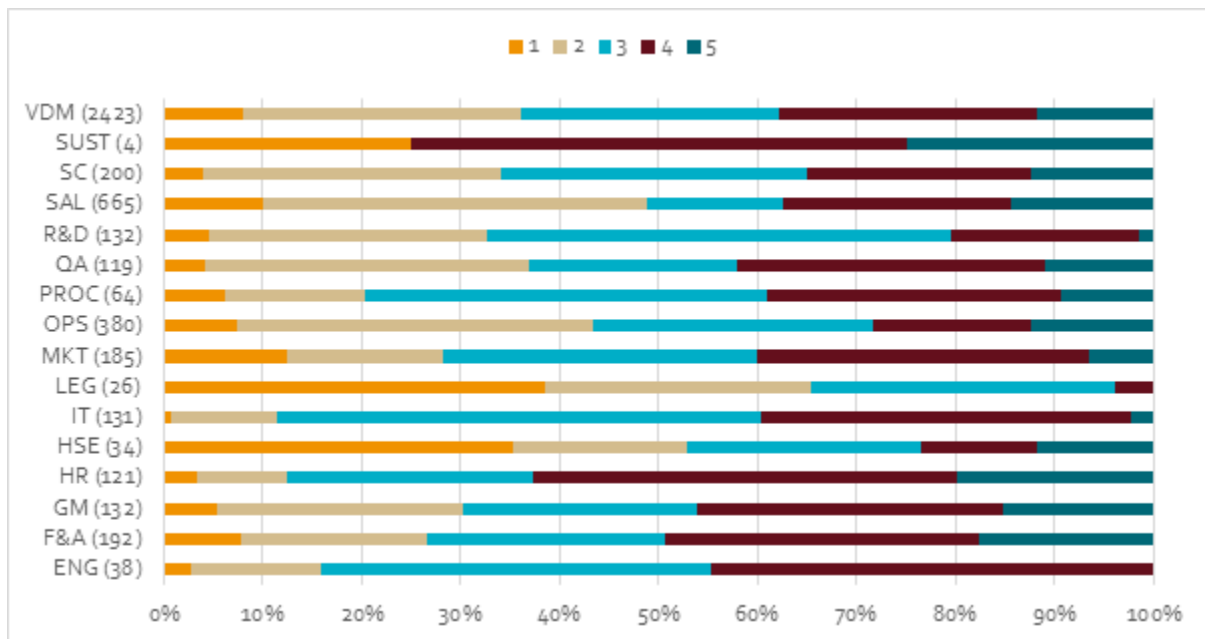


Figure 9: Measures – department scores distribution

To conclude, both the country- and department-specific analysis imply that goals are very much SMART at Vandemoortele as they very often meet the requirements. In fact, 53% of the goals are of good quality being that they score 4 or 5 out of 5. Contrarily, only 37,8% of the measures are of good quality. Giving this outcome, we focused on communicating how the SMART principles should be properly applied. We developed a department specific tips and tricks document discussing best practices, providing clear examples and more importantly mentioning what the main challenge is for each department. Managers also had the opportunity to ask for country- and/or team-specific reports to have more insight and assist whom effectively needed extra support. We believe that the necessary tools were giving to every concerned employee to support them in their learning and development journey.

5. Recommendation

5.1. Short term

During the analysis of personal targets, similar elements with room for improvement were identified which are necessary in order state an objective is qualitatively formulated. Based on these imperfections, tools have been created to support employees in their learning journey of formulating the personal targets. It is recommendable to reuse the following tools during the next goal-setting period.

5.1.1. Do & don't list

A do & don't list is the first tool created to gather and deliver qualitative feedback. Concretely, this list indicates in a structured way how the quality of objectives can be positively influenced. It shows on the one hand which elements were assessed as good, and on the other hand it shows which elements should be avoided. An example was also provided with each element to clarify the statement.

This list contained the following elements on the positive side (Do's): Including a deadline; mentioning a start and end point; putting a weight on each measure when having multiple; goal and measure described in a detailed yet understandable way; use of good language and use of a common structure within a team which shows communication.

The list contained following elements to be avoided (Don'ts): Too vague explanation of the target; no measurement (KPI) included, do not include too basic elements which are part of the regular job, such as attending a particular meeting; copied description in both text fields "Goal" and "Measure"; no priority indication when having multiple projects.

5.1.2. Specific tips & tricks

As indicated earlier, it was found that the formulation of a personal target differed slightly per department. As a result, a number of specific work points could be identified for each department. The combination of this information with the idea of giving qualitative support in formulating personal targets led to the creation of specific tips and tricks per department.

No quantitative results of the analysis were disclosed in this report because of two reasons. Firstly, a general report including scores per department and country was already available. Secondly, the focus should rather be on improving target formulation than comparing received

scores. The tool is created while taking Vandemoortele’s values and principles in consideration. Therefore, the qualitative feedback was delivered on a one-slider having the same structure for each department. The structure consisted of two parts: “Goal” and “Measure”. Each part started with a description of the main focus areas, followed by an example of an existing formulation with room for improvement and an existing formulation which was considered as good. To illustrate this structure, the one-slider for the department HR is provided below.

HR - TIPS & TRICKS FOR SETTING PERSONAL TARGETS

Goal

Describe as **specifically** as possible which areas you will focus on within a certain project.

Improvable: "Project Europe"

Good: "Project Europe: Increase efficiency in local organization. Implementation Project EU Negotiations with unions/ administrations, Administrative transfers, Change-management & communication, Negotiate & implement restructurings (E, G, A, W, ...)."

Measure

Be **specific** in the description of the measure to make it **measurable**. Adding weight and a deadline if applicable makes the measure more clear.

Improvable: "Project plan"

Good: "Realization of all tasks on time - as per action plan & based on biweekly calls updates. 5 - full done, 4 - 99-96% actions completed, 3 - 95-89% actions completed[...] Weight 50%
By end of July'20 all required employees to be moved to(employed by) new branches in CE. 5 - full done, 1 is not completed in 100%. Weight 50%"

Figure 10: one-slider tips and tricks for department HR

5.2. Long term

The company did well by leveraging these exceptional times to further develop the envisioned culture. Now, the most important element is to keep the people & development culture alive. To do so, employees should be reminded to the principles, like continuous feedback, on a regular basis. Today, people seem to be less motivated to read emails. Therefore, the company is invited to question its communication strategy. New means of communication, such as whiteboard animations, could be considered.

Next to this, Vandemoortele could implement a separate, dedicated performance team. One of the aims of this team would be to manage the translation of the company strategy into personal targets by analysing the cascading system. Next to this, they could provide assistance to employees in reaching targets through sharing recommendable courses and trainings.

6. Discussion

6.1. Literature review of alternative frameworks for goal-setting

As described earlier, the SMART framework has numerous advantages and disadvantages. But are there other methodologies which retain the advantages and eliminate the disadvantages? In the following paragraphs other existing and inspiring methodologies are discussed. Each methodology is compared to the current practices of Vandemoortele and recommendations are given when applicable.

6.1.1. FAST

Donald and Charles Sull (2018) criticise the fact that the traditional approach whereby personal targets are set annually, are strongly linked to the bonus system and are only known by employee and employer. As a result, personal targets lack the necessary flexibility and alignment with the company strategy. To prevent this, Donald and Charles Sull advocate FAST goals instead of SMART. The acronym FAST stands for frequent discussions, ambitious in scope, specific measure and transparency across the organization.

The authors emphasize a number of advantages of this methodology. The transparency would make it easier for employees to align their targets with the business strategy, as well as coordinate more fluently with their own team members and members in other teams. Colleagues could also help each other easily when struggling by setting targets.

An analysis on employee's behaviour in the situation of publicly available personal targets shows that employees use this opportunity. More specifically, employees check more frequently personal goals of colleagues in other teams. For example, to see the goals of a colleague with a similar function working for another region.

Making each other's goals visible could have an indirect positive effect on the ambitiousness of the goal. Peer pressure could stimulate each other to strive for highly stretched personal targets. It's important to note that, according to The Performance Generator (Dewettinck, et al., 2020), personal goals which are stretched too much will be considered as impossible to reach. As a consequence, this could have a negative impact on the motivation.

When formulating a personal objective, one should also think how the objective will be evaluated. Therefore, companies install measures or also known as key performance indicators.

According to Donald and Charles Sull (2018), the result to determine if the objective has been achieved can be defined in a qualitatively or quantitatively way. However, it is important that in the case of a qualitative objective a clear milestone is defined and in the case of a quantitative objective a clear measure is present.

Personal goals are formulated in a traditional approach at the beginning of the year. These are stored in a management tool until the end of the year, when they are evaluated. Using this approach, it is impossible to respond to the dynamic environment in which employees and employers find themselves. Goals should therefore be seen as a framework to assist making decisions and set activities. In order to respond to new challenges arising from the continuously changing environment, it is thus important to monitor objectives regularly and adjust where necessary. One solution is to formulate and evaluate objectives on a quarterly basis. Another possibility is to evaluate goals on an annual basis whereby progress is intermediary checked. In the end, it does not really matter how often objectives are reformulated or evaluated, as long as it guarantees to bring up discussions on a frequent basis about the work that will be done.

To end the sum up of the advantages, the authors mention FAST principles to be useful for many industries. For instance, the technology industry often uses a methodology called Objectives and Key results, in which the FAST principles are embedded.

As mentioned before, Vandemoortele mainly focuses on the use of the SMART framework to manage and formulate personal objectives. Nevertheless, there are also some applications of the FAST framework present at the company. These are adapted in a format which enables the firm to achieve the culture it envisions.

Personal targets are always agreed upon by mutual agreement between the employee and his or her direct manager. The company considers it necessary to have frequent communication between both parties regarding the objectives. Therefore, the system Continuous Feedback has been developed. The aim is to have during the year at least once a conversation between employee and manager about the objectives' progress and whether additional resources can be provided to help achieving the objectives (e.g. training). To motivate employees using the system, it is linked to the bonus system.

Vandemoortele does not require its employees to share personal objectives with others. Although there is a possibility to make them public, almost no one makes use of it. The reason

why Vandemoortele gives its employees the choice is because some projects contain sensitive information and have to be treated discretely.

Although goals are not transparent, there is still a form of peer pressure that fits the culture of the company. Two different methods are used to stimulate employees to formulate qualitative and ambitious personal objectives. On the one hand, results per group (e.g. department, country, ...) are made visible which shows how a particular group scores compared to another group. On the other hand, an e-mail was sent to each individual indicating whether he or she scored well or had room for improvement.

6.1.2. Neuro-linguistic programming (NLP) driven frameworks

In literature, different frameworks regarding goal setting and action planning using neuro-linguistic programming can be found. NLP is a discipline about communication and personal development which gained more attention since the seventies. The advantage of these frameworks is that they go beyond the traditional goal setting by performing certain practices. These practices will stimulate our unconsciousness to achieve the goals we are aiming for.

It's important to note that while discussing and explaining NLP and its frameworks the word "outcome" will be used instead of "goal" or "target", as this is already one common practice. Advocates of NLP use the word "outcome" because this shifts the emphasis of what someone would like to achieve in the future towards an approach where it is very clear what should be done. (Day and Tosey, 2011)

One of the most well-known frameworks constructed from NLP is called the "Well-Formed outcomes model". Giangregoria (2016) explains the model through 7 dimensions. Once an outcome has these dimensions, it can be called well-formed.

Firstly, one should state the outcome positively. This linguistic transformation will force one to think differently about the outcome, as it will strengthen the focus on solutions. Secondly, one should state the outcome very specific. Thinking about all the details will result in a good understanding why the outcome would like to be achieved. The next dimension is feedback and evidence. This should explain how to check if one is on the right track and how one could know if the outcome has been reached. Subsequently, the dimension resources make one aware of the required tangible and intangible necessities such as equipment and network. The dimension control states that the outcome has to be initiated and maintained by the same

subject. On top of this, an analysis should be made which factors beyond the subject's scope could influence the outcome. One should also consider if the outcome is in line with the envisioned personality. Therefore, the dimension identity alignment has been created. This dimension is only fulfilled when the outcome preserves a positive result. Last but not least, the dimension ecology questions the presence of harmful consequences for any people by achieving the outcome.

In literature, multiple frameworks related to NLP goal setting and action planning exist. Some are using acronyms, such as the framework "POWER" of Day and Tosey (2011). In this case, the acronym POWER stands for "Positive", "Own role", "What specifically?", "Evidence", and "Relationship". Another relatively well-known framework is "PURE", which stands for "positively framed", "under the individual's control", "having right size" and "ecological". We will not further elaborate on these acronyms as the concept of describing an outcome is equal to the Well-Formed outcomes model.

When comparing the practices at Vandemoortele with the dimensions of the Well-Formed outcomes model, we can conclude different parts are already in place at the company. This is due to, on the one hand, the partial overlap between the SMART principles and the Well-Formed outcome model and, on the other hand, other practices at Vandemoortele. According to our knowledge, the following dimensions currently have the least attention: stating outcomes positively, control (partially: lacks the analysis of indirect influences) and ecology.

6.2. Literature review of alternative frameworks for strategy execution

The aim of goal setting has different objectives, among others to ensure the execution of the envisioned strategy set by the owners and/or top-management. Unfortunately, research shows many employees do not know the company's strategy. This results in a gap between strategy formulation and execution. (Kaplan & Norton, 2005; D. Sull & C. Sull, 2018).

To prevent this issue, companies could use a framework or tool which makes it possible to, on the one hand, communicate, guide and manage the strategy and, on the other hand, measure the performance. As a result, Vandemoortele decided to use the OGSM framework, but are there any other existing frameworks? In literature, several frameworks on strategy planning were found but only one other includes performance measuring.

6.2.1. Balanced scorecard and strategy map

The Balanced Scorecard, developed by Kaplan and Norton in 1992, is still one of the most popular frameworks. The framework requires managers to look at the company from 4 different perspectives. Subsequently, the manager should find for each perspective different objectives, measures (KPIs), targets and initiatives in order to achieve the envisioned the strategy. Next to explaining the perspectives, the authors created questions which should help to fill in the perspectives.

The first perspective is called financial or stewardship. Hereby, managers should ask themselves the question how they want shareholders to look at the company. Typically, this perspective will include topics such as profitability, shareholders value and growth.

The second perspective is called customer. It questions how customers look at the company, and more importantly: how the management would like customers to look at the company. This perspective covers ideally the following four categories of customer's interest: quality, performance and service, time and price.

The third perspective is called internal business process. Once the second perspective is completed, the management should ask themselves in which processes and competencies the company should excel. The answer on this question also reveals how the firm will create a competitive advantage.

The fourth and last perspective is called innovation and learning. The basic question in this perspective asks how the firm will be able to continue growing and creating value. Intense competition and changing customer's demand requires companies to reinvent themselves by optimizing their products, services or processes, or by introducing new products or services.

Later on, Kaplan and Norton (2000) developed the strategy map. The authors worked together with numerous teams helping them to implement the balanced scorecard and discovered patterns of objectives. They succeeded to visualise these patterns per industry as well as to create a framework for companies to make their own strategy map. More concrete, the strategy map consists of four regions which corresponds with the four perspectives on the balanced scorecard. Each objective on the balanced scorecard is put in the correct region of the map. To end, the objectives are being linked with each other through a logical cause-and-effect approach. As a result, the desired outcomes are connected with its main drivers.

The balanced scorecard and OGSM framework have some elements in common. The underlying idea of both frameworks is to link strategic with operational aspects by combining strategic goals with specific activities. Next to this, both framework's aim is to have a one-pager including all goals and activities. One might, based on this, say OGSM and Balanced Scorecard are equal, but it is not. An important difference is the approach how the one-pager is developed. The OGSM process starts with the end in mind, which encourages more long-term thinking compared to the Balanced Scorecard. OGSM is also developed using a more collaborative process. The OGSM is cascaded through the different levels of responsibility. As a result of both, each level of the organisation is able to understand their expected contribution and employees tend to be more aligned with the strategy.

6.3. Limitations

Given the context in which the project found itself, some decisions had to be made in order to get the maximum potential out of the project.

The most significant challenge of this project was the time frame in which certain results had to be achieved. In order to reach these, the decision was made to divide the work involved in scoring the personal goals among the team members. Ideally, the team members score all objectives individually, where the end score of a personal objective is determined by the arithmetic mean. To minimize the impact on reflexivity and credibility, two activities were performed. Firstly, the first 100 personal targets were scored in group. This phase had the advantage that each team member could share his own interpretation, analysis and corresponding score. These discussions resulted in the formulation of detailed guidelines which served as a basis for assigning a score. Secondly, a random sample was taken once all objectives had been scored per department. These objectives were re-analysed in group and checked for the correctness of the assigned score.

One should also be aware of cultural differences that may influence the quality on formulated objectives. In this particular project, all employees are familiar with the SMART principles. The awareness of such common language across the population significantly reduces the probability of being impacted by cultural differences.

7. Conclusion

To conclude the ICP we want to emphasize the main takeaways from the companies' perspective and what we, as students, learned from this project.

Given that the performance culture inside Vandemoortele is relatively young, we believe that our project gives the company an in-depth analysis of the current performance culture on the personal targets side. Since the performance culture is an ongoing process, it is valuable for the company to take a look at the quality level of the employees' personal targets. The main conclusion is that the personal target setting is not as good as the company hoped it would be, however they do see a positive progress in their performance culture journey. By providing insights in both countries and departments, Vandemoortele can easily locate those who can further improve their personal target setting and that they need to be monitored more closely. Furthermore, it is important to note that setting a measure is more difficult than setting a goal, as concluded out of the analysis. These insights alongside specific tips & tricks will further help Vandemoortele develop their performance culture. Another aspect is that the company feels that bringing the OGSAM more clearly at the top of the organisation will improve the way OGSAM is being used at the other layers of the company. Lastly, the company acknowledges the fact that keeping the personal target setting and their communication around it clear and simple will benefit the existing performance culture.

This eight-week project provided us with hand-on experience right in the middle of the company. Having the opportunity to be involved in developing the performance culture gave us insights into all layers in the company from the Legal department to the Supply Chain department and from Spain to Hungary. By looking at every department separately, we could broaden our perspectives about how a business is managed and how employees can play their part in achieving the company goals. By analyzing the personal targets, we learned which pitfalls there are in the process and how these can be dealt with. By thinking about alternatives and solutions, we were challenged to come up with concrete implementations that can make a difference and improve the current performance culture regarding personal targets. In addition, we had a firsthand experience that the way you communicate to the employees sometimes is equally as important as the message itself. To conclude, we are very proud that our work had an impact on all staff associates.

We also want to take the time to say thank you. Firstly, we want to thank Kimberly for making this ICP possible. It is thanks to her determination that we could be enrolled in this project. Secondly, we would like to thank prof dr Katleen De Stobbeleir for her valuable feedback. Because of her insightful advice, we were able to deliver the best possible result during this project. Next, we would also like to thank Veerle for helping us in the first part of the project. Her advice, feedback and knowledge provided us with very useful tools which made our transition in the company as smooth as it was. Lastly, we would like to thank Marc for giving us the opportunity to conduct this project and for your very interesting and insightful guidance along the way. We are very proud to have been able to work under your guidance. Thank you.

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Appendices

Appendix 1 - Poster 1: 'Performance & Development @ Vandemoortele' (page 1/2)

PERFORMANCE & DEVELOPMENT @ VANDEMOORTELE

UPDATE PERFORMANCE & DEVELOPMENT



GROWTH 4 PEOPLE



PEOPLE 4 GROWTH

COVID-19'S BUSINESS & FINANCIAL IMPACT REQUIRES US TO REFOCUS AND REDEFINE OUR TARGETS

Covid 19 has had a huge impact on our sales volumes and therefore on our financial results. We are entering in a third phase where we will combine cost-saving with business activation and continuity of key projects.

Although we are in a special situation it is crucial for all of us to **adapt our personal targets** while continuing to **determine our individual professional journeys**.

REDEFINE PERSONAL TARGETS

The first step is to readjust your personal targets taking into account the impact of the current situation. Important here is to keep in mind the organization principles and values as guidelines. Make sure to check whether your goals are defined in a SMART way to help you really grow in terms of performance and development.





CONTINUOUS FEEDBACK

Once your goals are redefined it is important to keep the **continuity**. The exchange and follow up discussions between leader and associate or so called **Continuous Feedback** will enable all associates to monitor progress, take actions and develop their professional capability. Our goal is that all staff associates performance and development goals are logged in SuccessFactors (SF). To achieve this, **we recommend to adopt a higher frequency in feedback: monthly or quarterly**.

CAREERS

To successfully complete your professional journey, don't forget to discuss and log your **professional (career) aspiration and your functional or geographical mobility** in SuccessFactors (SF). You are the lead of your own professional journey, SF provides Vandemoortele a tool to follow upon your ambitions. This is key information for our **Vandemoortele talent process**.



THE NEW BONUS (STI) PROGRAM

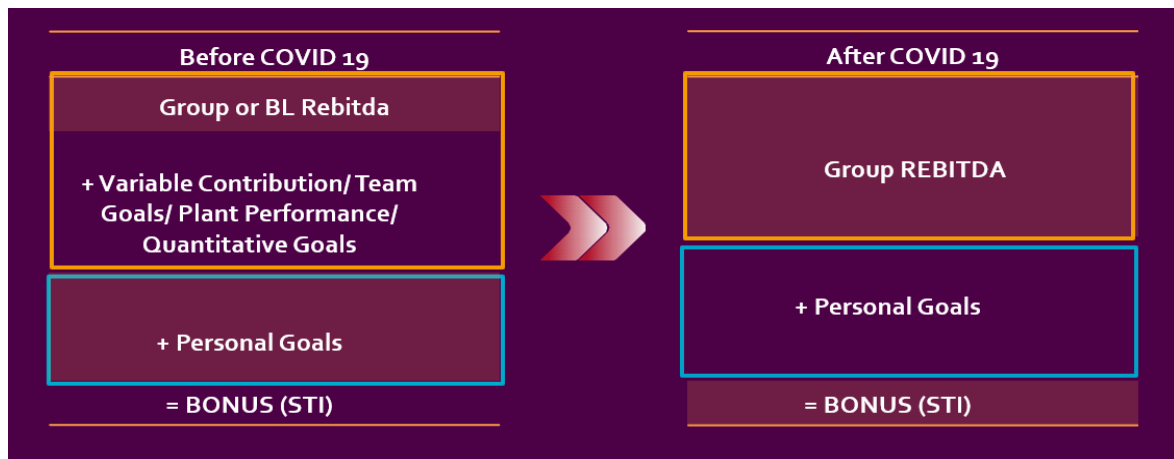
ADAPTED BONUS (STI) PROGRAM FOR 2020

WHY IS THIS CHANGE NECESSARY?

Covid 19 has had a huge impact on our sales volumes and therefore on our financial results. The previous bonus program was designed to reach specific targets but now that **situation has changed**. We want to keep our associates and leaders engaged and focused on doing the right thing. Therefore, we **adapt the content and mechanisms of the bonus (STI) program** to ensure the right focus.

NEW BONUS (STI) PROGRAM ON CLEAR PRINCIPLES AND OUR VALUES

- Group Rebitda budget 2020 target (100%) remains in place (**fairness and continuity**)
- Rebitda: Group Rebitda is the only Rebitda target for all audiences (no business-line rebitda) (**solidarity, simplicity and focus**)
- Roce, Variable contribution, Plant-performance, Team-goals and Quantitative goals: are replaced by Group Rebitda (**simplicity and focus**)
- The Rebitda targets would have a lower threshold and slower decreasing curve (**motivation, simplicity and continuity**)
- Personal targets: need to be adapted in function of the crisis requirements and focus (stocks, obsolesces, payments, crucial projects, ...) (**motivation, continuity and focus**)



NEW MECHANISM

The new system is beneficial for associates, as **they will get a bonus when reaching at least 60% of the REBITDA goal** (threshold), where the former threshold was at 80%.



BEFORE & AFTER EXAMPLES

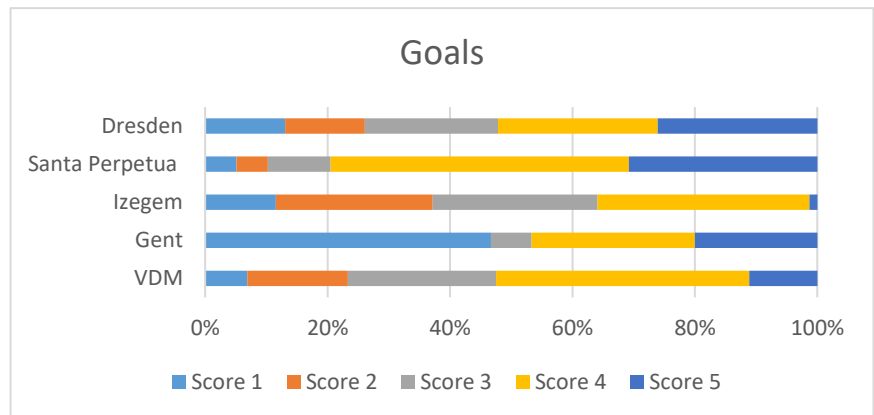
	Before COVID-19 for 2020	After COVID-19 for 2020
Threshold	80%	60%
Calculation	80%	50%
Payout scenarios based on a 10 % target		
Payout % when reaching 85% of REBITDA target	3.25%	7.30%
Payout % when reaching 70% of REBITDA target	0%	4.60%
Payout % when reaching 60% of REBITDA target	0%	2.80%
Payout % when reaching 59% of REBITDA target	0%	0%

Appendix 3 - Example of a Team Report

Summary Results of Team Roeland Rombaut

Score of goals (on 5)

	Average Score
Dresden	3,39
Santa Perpetua	3,95
Izegem	2,88
Gent	2,73
Vandemoortele	3,33

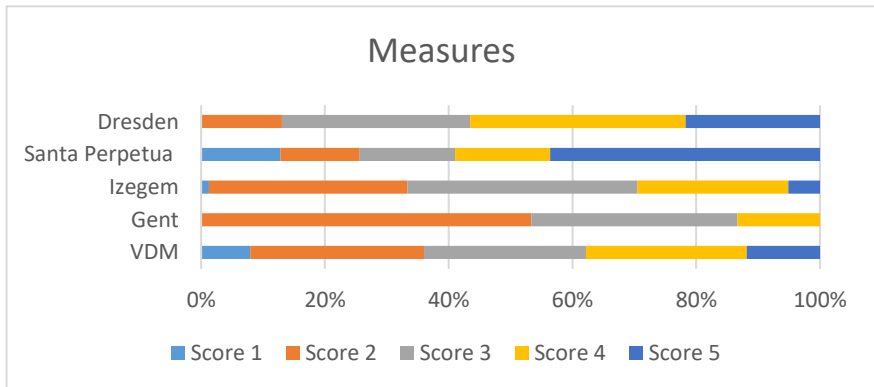


Tips & tricks for goal setting:

- Clearly describe the main aspect within a certain project you will **specifically** focus on. Adding a **clear target** (% , amount,...) is helpful in goal setting.
 - Improvable:** "Project Europe"
 - Improvable:** "Continuous Improvement"
 - Good:** "PERFORMANCE: Unplanned technical stops + parameters adjustments average 2020 < 8% [8,0-9,0]"

Score of measures (on 5)

	Average Score
Dresden	3,65
Santa Perpetua	3,64
Izegem	3,00
Gent	2,60
Vandemoortele	3,06



Tips & tricks for setting measures:

- Indicate a **KPI** and be as **specific** as possible to make it **measurable**. Try to avoid general descriptions.
 - Improvable:** "* on time * in budget"
 - Good:** "1.1 Beat the budget: Ibis Variance > 1.994 €, Ibis Fixed Costs < 3.522 €, Ibis Own Fleet Cost (Labour, Fuel, Maintenance) < 858 €"
 - Good:** ">= 80% Industrial trials should be accepted by the customer, 90% of the references of the plan should be updated"

Detailed average per person in Dresden:

Name	Average score on Goal (/5)	Average score on Measure (/5)	Total score of Personal Targets (/10)
Gacon Edwin	2.60	3.20	5.80
Mortier Chantal	2.50	3.50	6.00
Kuhn Franziska	3.25	3.50	6.75
Team DRESDEN	3.39	3.65	7.04
Scharte Anja	4.25	4.00	8.25
Petschick Julia	5.00	4.25	9.25

Detailed average per person in Santa Perpetua:

Name	Average score on Goal (/5)	Average score on Measure (/5)	Total score of Personal Targets (/10)
Salas Priego Silvia	3.60	2.20	5.80
Serrano Guillem Josep Lluís	4.60	1.40	6.00
Varea Hidalgo Cristina	2.25	4.00	6.25
Moras Guerrero Pablo	3.80	3.60	7.40
Team Santa Perpetua	3.95	3.64	7.59
Sala Lanau Mónica	4.25	3.50	7.75
Sans Atxer Eva	3.60	4.40	8.00
Serra Molas Judit	4.33	4.83	9.17
De Haro Vallmitjana Oriol	4.80	5.00	9.80

Detailed average per person in IZEGEM:

Name	Average score on Goal (/5)	Average score on Measure (/5)	Total score of Personal Targets (/10)
Patteeuw Sven	2.33	2.00	4.33
Thevelein Dirk	2.17	2.83	5.00
Union Nele	2.67	2.33	5.00
Van Walleghe Kris	2.00	3.00	5.00
Vanneste Dirk	3.00	2.00	5.00
Casteleyn Stéphane	2.67	2.67	5.33
Degeldere Koen	2.40	3.00	5.40
De Poortere Kurt	3.00	2.50	5.50
Devacht Michiel	2.50	3.00	5.50
Dupont Louise	2.40	3.20	5.60
Lievens Sarah	2.00	3.80	5.80
Team IZEGEM	2.88	3.00	5.88
Verborgh Jelle	3.50	2.50	6.00
Decottenier Gregory	3.33	3.00	6.33
Sermon Iskra	3.00	3.33	6.33
Deturck Pauline	2.80	3.60	6.40
Huyghe Gille	4.00	2.50	6.50
Moulin Delphine	4.00	2.67	6.67

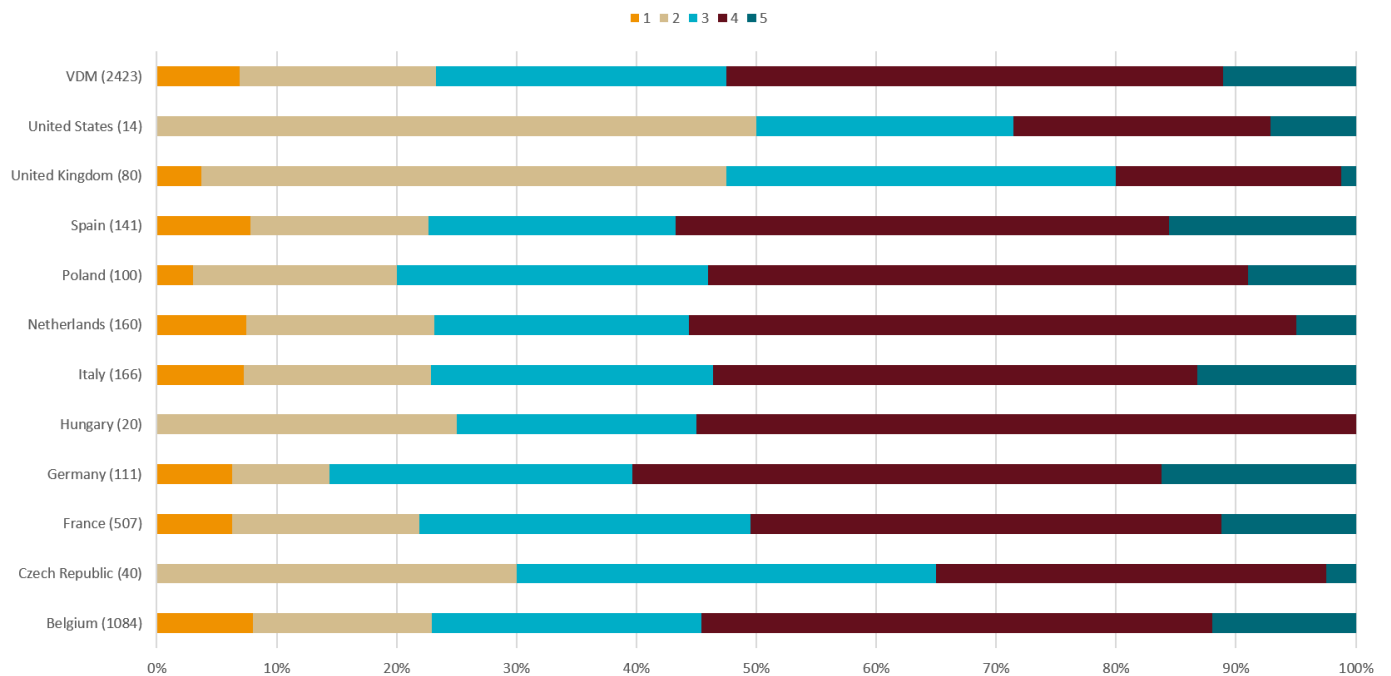
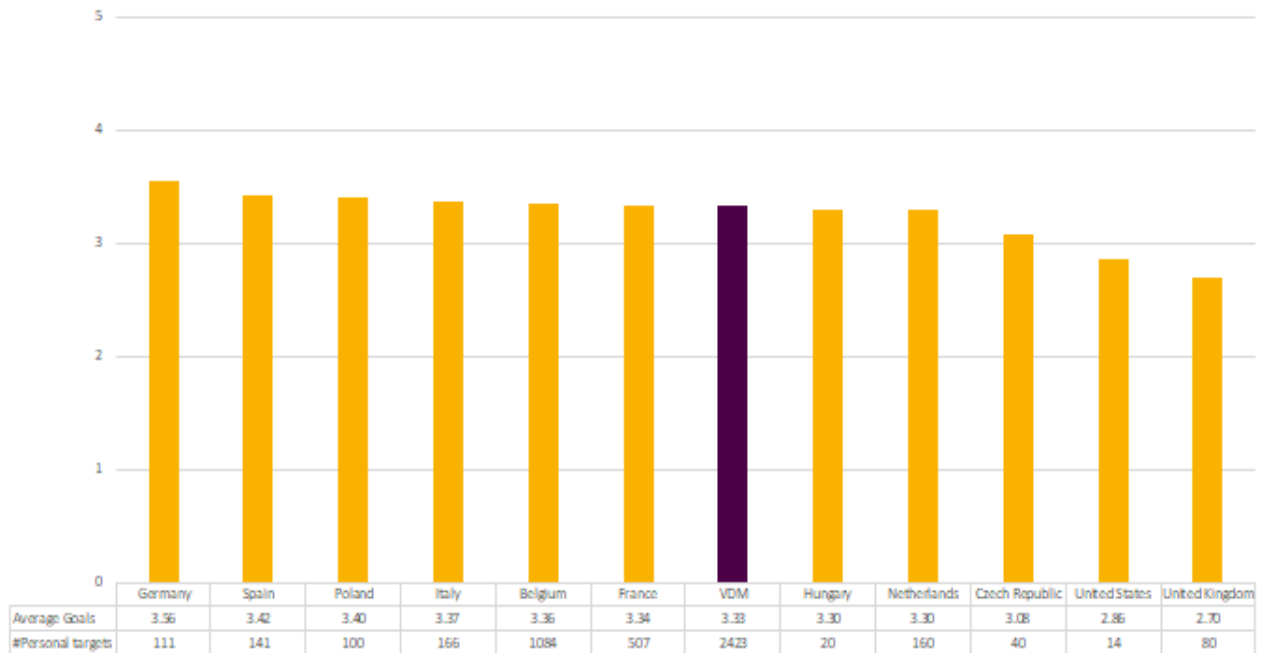
Kovacs Ildiko	3.50	3.75	7.25
Sabbe Tom	4.00	3.33	7.33
Pruvoost Ortwin	4.00	3.75	7.75

Detailed average per person in Gent:

Name	Average score on Goal (/5)	Average score on Measure (/5)	Total score of Personal Targets (/10)
Verstraeten Jeroen	1.00	3.00	4.00
Rombaut Roeland	1.75	2.50	4.25
Team GENT	2.73	2.60	5.33
Verhaeghe Pepijn	3.75	2.75	6.50
Debevere Piet	5.00	2.00	7.00

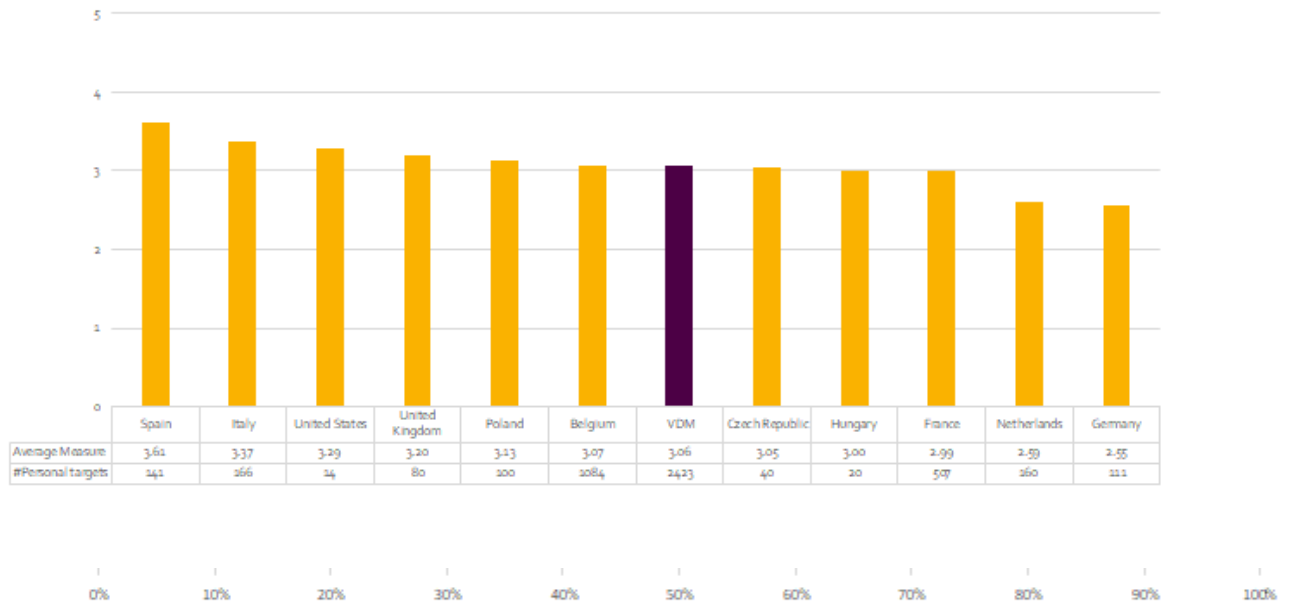
Appendix 4 – Country comparison results ‘goals’

GOALS SETTING RESULTS - COUNTRY AVERAGE

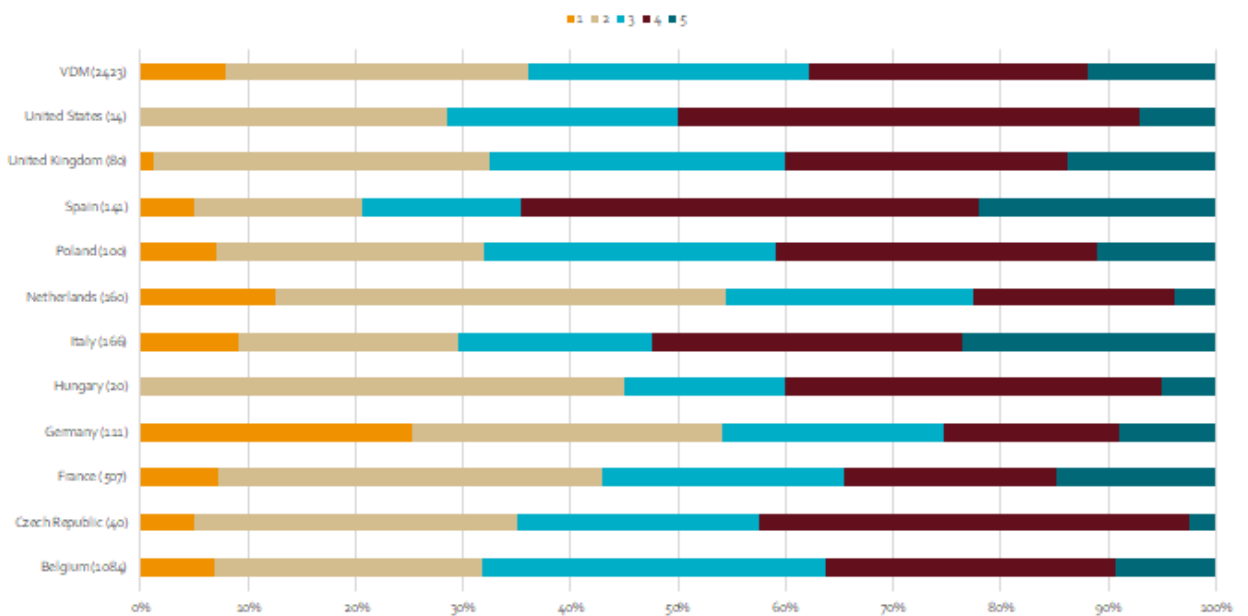


Country comparison results 'measures'

MEASURES SETTING RESULTS: COUNTRY AVERAGE

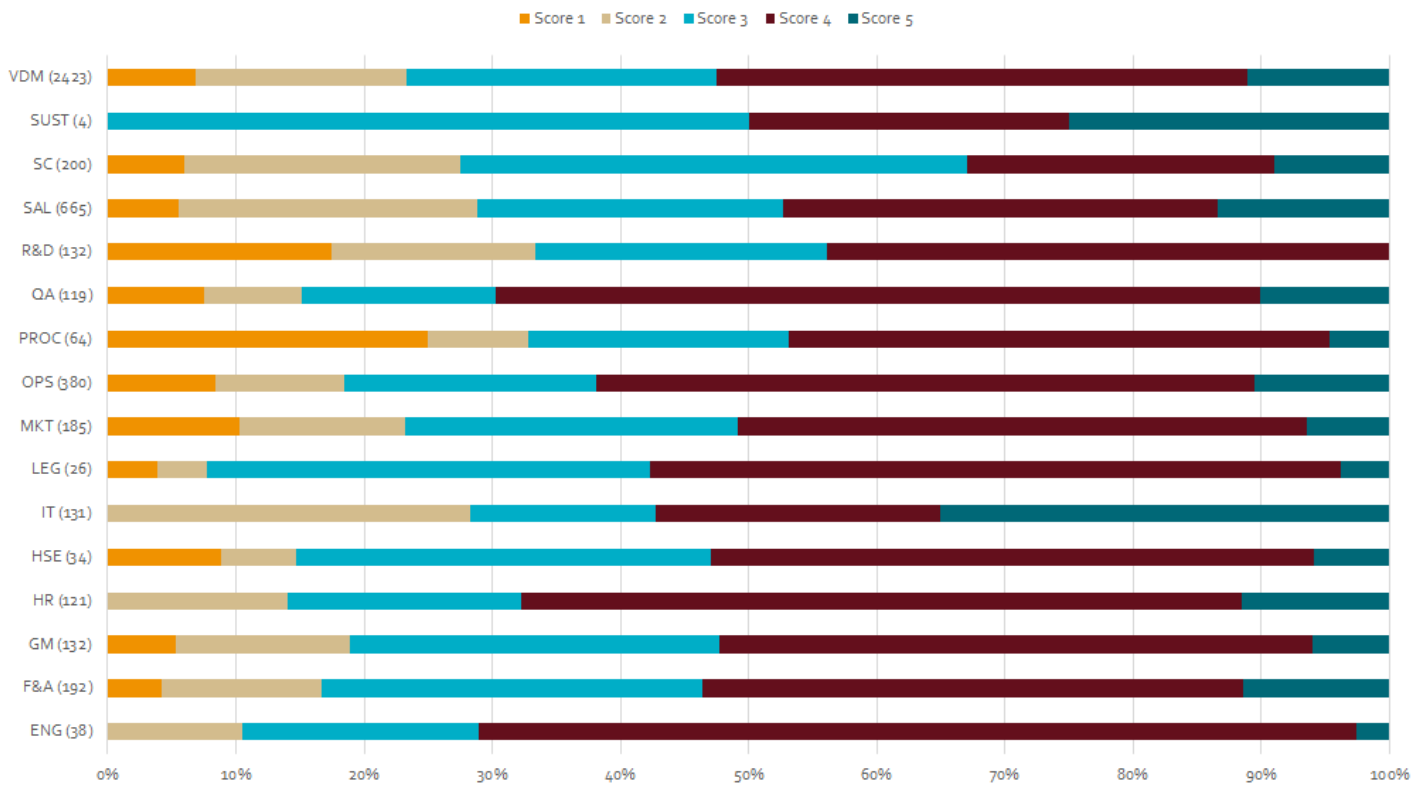
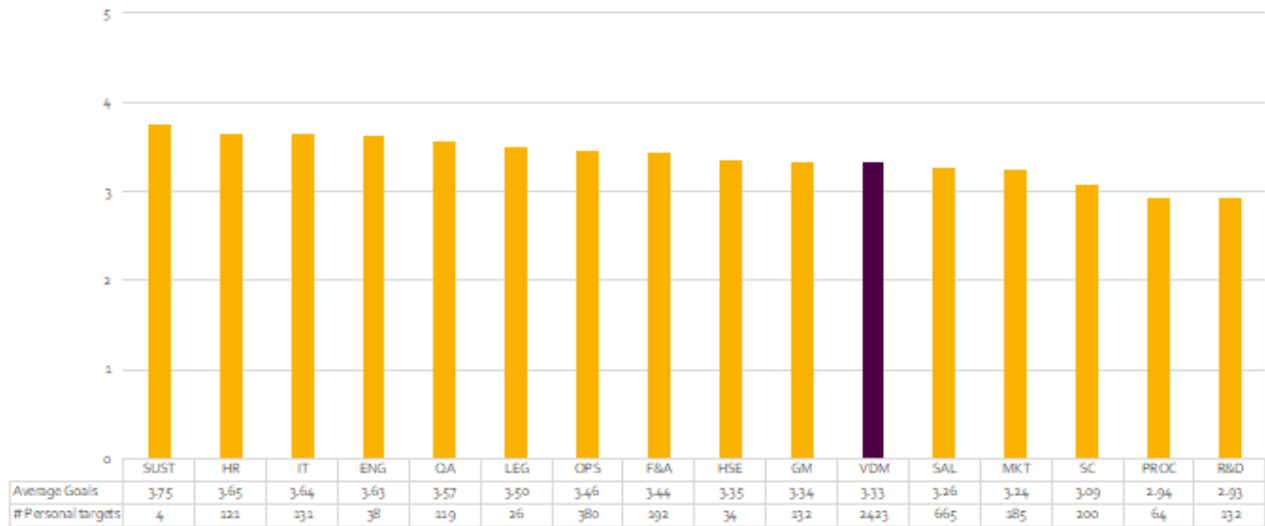


MEASURES SETTING RESULTS: COUNTRY



Appendix 5 – Department comparison results ‘goals’

GOALS SETTING RESULTS - DEPARTEMENT AVERAGE



Department comparison results 'measures'

