

# Aligning Employee Goals with Organizational Strategy Using a Balanced Scorecard

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If you want your organization to be more successful, you need to ensure that your employees are successful. Human Resources (HR) professionals have long worked to connect employee goals with organizational goals. This alignment ensures that the workforce is collectively working towards the broader objectives and vision of the organization, connecting in a way that enhances performance and efficiency. Establishing alignment also fosters a sense of purpose and engagement among employees, as they can see how their efforts directly contribute to the company's success. Also, improved alignment enables better resource allocation, talent management, and employee performance management. Overall, strategic alignment of employee goals is a cornerstone for organizational success, promoting a unified and purpose-driven workforce.

All these desired outcomes are more easily achieved using a formal approach to strategy management like the balanced scorecard. The Balanced Scorecard framework provides a structured way to measure and monitor performance across multiple dimensions, such as financial, customer, internal processes, and organizational capacity. This white paper aims to provide a comprehensive overview of the importance, strategies, and implementation of aligning employee goals with organizational strategy using the Balanced Scorecard approach.



## Balanced Scorecard: *Nine Steps to Success*<sup>™</sup>

BSI's award-winning framework for creating alignment and managing strategy, [Nine Steps to Success](#)<sup>™</sup>, is a disciplined and practical approach to developing a strategic planning and management system based on the balanced scorecard and aligning employee performance with strategy. It gives organizations a way to 'connect the dots' between the various components of strategic planning, operations, and management; meaning there will be a visible connection between day-to-day operations, the measurements being used to track success, the strategic objectives the organization is trying to accomplish, and the mission, vision, and strategy of the organization. The approach is more about engaging hearts and minds to transform an organization to higher performance than it is about just measuring performance. Ultimately, managers and executives can use a balanced scorecard system to help define strategy, rally employees around that strategy, and achieve what the organization wants to achieve.

## Importance of Setting and Aligning Employee Goals

Research proves time after time that higher employee achievement leads to higher organizational achievement. Employees who are engaged are enthusiastic, dedicated, and care about the success of their organization. Positive employee engagement is critical to an organization's success and is directly linked to job satisfaction and employee morale. Engaged employees are more likely to be productive and higher performing. Employees do not know what their organization expects to accomplish without communication from leaders. Managers need to communicate expectations and get employees excited about how to meet and, better yet, exceed them.

## Strategies for Creating Alignment

Goal setting is a leadership performance management tool for helping employees align their activities with organizational goals to achieve positive outcomes. When done well, goal setting can help inspire and motivate employees while helping them thrive in their roles. As managers collaborate with employees to help them understand team and enterprise-wide objectives, it supports transparency and demonstrates an investment in the employees' growth and development. It helps them feel valued and deepens employee engagement.

According to a Gallup Workplace 2022 Report, 60% of the world's workers are emotionally detached at work. In one of the largest studies of burnout, Gallup found the biggest source was "unfair treatment at work." That was followed by an unmanageable workload, unclear communication from managers, lack of manager support, and unreasonable time pressure. The real fix, Gallup concluded, was simple: better leaders in the workplace. Managers need to be better listeners, coaches, and collaborators. Great managers help colleagues learn and grow, recognize them for doing great work, and make them feel truly cared about. In environments like this, workers thrive. One of the ways to accomplish this is for managers to communicate openly with employees about what is expected, work through challenges, and empower them to drive their own performance. Business units with engaged workers have 23% higher profit compared with business units with miserable workers. Additionally, teams with thriving workers see significantly lower absenteeism, turnover, and accidents; they also see higher customer loyalty. Wellbeing at work is not fluff; it is critical to the organization's success.

## Steps for Aligning Employee Goals Using a Balanced Scorecard

The first step in creating strategic alignment is to clearly define the organization's vision and strategy. While this seems simple, many organizations struggle to articulate what success looks like in 5 or 10 years. However, it's critical so that employees and stakeholders understand and hopefully be inspired by what the organization hopes to accomplish. A Balanced Scorecard is a perfect tool to break down that vision and strategy into strategic objectives, which are the continuous improvement activities that the organization wants to accomplish. These objectives act as the connecting tissue for the entire system, as first measures, targets, and initiatives are aligned with objectives at the organization level, and then objectives, measures, targets, and initiatives are identified and aligned within each department/division/business unit. The process of developing unit strategic objectives enables each unit to carefully consider the organization's strategy and identify ways that it can directly contribute. Each of those units focuses on what they do best, while also collaborating with the other units. Measures tied to objectives at each level inform decision making and help build a culture of accountability.

Once the unit level strategy is developed and aligned, the process continues to the individual level. It is critical to note that individual employees actually execute the strategy individually and within teams. Most employees want to know what is expected of them and be recognized when they accomplish it. This is where the development of aligned individual objectives or goals comes in. One of the biggest mistakes we see in employee goal setting is when managers tell employees what their goals are without a discussion about why that goal is important for the organization or how the goal aligns with the organization's strategy. Managers and employees should collaborate to ensure understanding of organizational objectives, expectations for team objectives, and the measures for each one. Then they can establish 3-5 goals for the employee. These goals should be relevant for that employee's role, within their sphere of influence, and include a targeted level of performance that is achievable, ambitious, measurable, and time driven.

Many organizations set employee goals for a full year, but employees often lose focus with such a distant deadline. Setting goals for shorter periods, such as 3-4 months, can help them maintain priority focus and be more successful. This also allows more agility as employees and teams can adapt from quarter to quarter if needed. Communicate regularly (at least monthly) about progress, challenges, and achievements. It's a manager's responsibility to help employees stay on track or get back on track if they are not progressing as expected. This may include addressing challenges and removing obstacles for employees who do not have the positional power to do that on their own.

## Benefits of Improved Alignment

Setting goals, in and of itself, is a productive activity for all employees. Aligning those goals with strategy improves that activity by providing clarity and purpose to employees' workday, giving them line-of-sight between their efforts and the organization's overarching objectives. This can enable a more motivated and engaged workforce, higher performance, and a culture of accountability. It can improve decision making, encourage agility, and foster improved collaboration and communication across siloes, ultimately enabling the organization to achieve its desired strategic outcomes. The strong communication that is a must for achieving good goals helps create trust and a positive work culture. A 2024 study by Inspirus on improving organization culture reported that companies with high trust outperform competitors by 400%. Now that is a good goal!\*

## Conclusion

To be successful, an organization needs to have a plan to follow as well as tools to enable alignment and execution. The Balanced Scorecard framework is an excellent tool for creating that plan and then aligning the goals, objectives, and measures that make up your strategy in a way that makes the plan come alive for teams and employees.

## How to Learn More

To [learn more](#) about aligning employee goals with organizational strategy, explore our globally offered Balanced Scorecard Professional Certification program. This comprehensive program equips participants with tools and techniques for developing and maintaining a scorecard system as well as improving alignment between organizational-level strategy (Tier 1), department/unit strategy (Tier 2), and employee goals (Tier 3).

## About the authors

**Suzy Nisbet** is an experienced strategist, consultant, facilitator, and trainer. She is both a Human Resources Consultant as the owner of Strategic HR Solutions, LLC, and a Balanced Scorecard Institute (BSI) Senior Consultant with over 25 years of relevant experience. She provides expert HR services to businesses, non-profit organizations, and governmental entities and excels at helping leaders improve their organizational health. Suzy also leads BSI clients through building strategic management plans that create a results-oriented environment. Through coaching executives and managers in positive employee engagement, she focuses on connecting top-level strategy to the daily work of individual employees.

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## About the Balanced Scorecard Institute (BSI)

BSI, a Strategy Management Group company, provides training, certification, and consulting services to commercial, government, and non-profit organizations worldwide in applying best practices in balanced scorecard, strategy execution, performance management and measurement, KPI or OKR development, and transformation and change management.

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\* Inspirus. "2024 Employee Engagement Trends & Forecasts." *Employee Recognition Solutions That Drive Employee Engagement*, 2024, [experience.inspirus.com/2024-employee-engagement-trends-q1](https://experience.inspirus.com/2024-employee-engagement-trends-q1).