Frequently Asked Questions

1. **What is the difference between objectives and goals?**

   Objectives are specific milestones which a person plans to achieve in a limited period. Examples of these are time with the family, savings, travel, baking lesson, or petty household chores.

   On the other hand, goals are plans for long-term purposes. Examples of these are enjoying life, financial freedom, exploring new places, or learning something new.

   Objectives and goals are two different things but are related to each other. Objectives are quick wins that contribute to the achievement of goals. Taking from examples earlier, spending quality time with the family might be serving a higher purpose of enjoying life in general or saving up now might be for having financial freedom in the future.

2. **Is objective setting necessary?**

   Yes, it is necessary. Not only does objective setting clarify your roles and responsibilities, but it also aligns your objectives to your manager's. Furthermore, it encourages on-going communication between you and your manager in creating, updating, and changing your objectives.

3. **Who should set objectives?**

   You should be the one setting your objectives.

4. **What if my manager hasn't set his/her objectives, how can I align?**

   You can suggest setting up a meeting with your manager to learn about team objectives or his/her objectives; you can then start writing yours to align.

5. **How many objectives should I set in one year?**

   It is ideal to prioritize your targets into 3-5 meaningful objectives. Similar to Pareto principle, we need to focus on 20% of our effort that brings 80% value to the business. It does not mean that you will not do your other stuff. Your 3-5 objectives have direct and should have an impact on strategies set by the President & CEO.

6. **What are the major differences of Objective Setting process compared with previous year?**

   Unlike previous years, we are formalizing the Objective Setting process across the organization. We want to strengthen that communication and collaboration in setting up targets, at least vertically for the initial run. And introduction of new performance management tool, myCompass, for everyone's convenience.

7. What are the 4 shared Key Result Areas?

    Another change in Objective Setting process is the standardization of Key Result Areas. The success of our business will be measured in terms of financial, customer, internal processes and people. To further define each,
    - **Business** pertains to the initiatives that lead to business results;
    - **Customer** refers to the value we deliver to external customers in terms of time, quality, service, and cost;
    - **Process** covers the internal processes that lead to efficiency or effectiveness; and
    - **People** refers to the quantity and quality of employees that lead to personal, team and organization growth.

8. Do I have to set one objective in each of the 4 Key Result Areas?

    No, it is not necessary to have one objective in each perspective. It depends on your role and your manager's objectives.

9. What is the difference between Key Result Area (KRA) and Key Performance Indicator (KPI)?

    Key Result Areas (KRA) refers to the general areas of outputs for which the company, division, or department's role is responsible. Key Performance Indicators (KPI) is the measurable value that demonstrates how individuals are performing in achieving objectives.

10. What is the difference between lead and lag targets?

    A lead target is the predictive measurement that drive results, while a lag target is the after-the-event measurement that is essential for charting targets.

11. Why do I need to identify my lead and lag targets?

    The combination of both indicators will guide you to a better than average performance. It will also help you predict whether you're going to meet your yearend objectives or prompt you to make adjustments in your action plan to steer back the path towards achieving your objectives.

12. What is the difference between productivity and activity?

    In accomplishing your objectives, the difference between activity and productivity should be defined. Activity is the list of things you need to do on a daily basis, while productivity is how effective these activities are in the success of your performance.