

ST APPOINTMENTS

MAKING OPPORTUNITIES KNOCK ON YOUR DOOR

The darker side of goal setting: Why goal setting fails

Why don't most people set and achieve personal goals, career goals and business goals? Goal setting is a positive, powerful practice when it ignites enthusiasm and provides clear direction. When practiced poorly, however, goal setting also has a serious downside which can undermine your success. Poor goal setting makes people cynical, wastes their time and fosters confusion about where to concentrate actions and energy. How does such a potentially successful practice as goal setting, go wrong, so often? If you've read my for any length of time, you know that I am a proponent of setting goals and measuring your progress in achieving them. A recent exchange with William Hamilton, President of TechSmith Corporation, and several other executive managers (who wish to remain anonymous) reminded me that goal setting, executed poorly, thoughtlessly or for the wrong reasons, can have a significant negative impact on both people and your organization business plan.

Avoid these five misuses of a potentially positive, powerful practice: goal setting for personal goals, career goals and business goals.

Just Do It: The Art of Intimidation

Organizations often fail to achieve goals and strategic planning targets that are set top down, by executives who lack crucial information and are out of touch with staff challenges. The goals are unrealistic and they fail to consider organization resources and capabilities. Staff members don't believe that the rewards they will receive for goal accomplishment will equal the energy they invest to achieve them. Frequently, managers are intimidated when they fear job loss for failure.

A former Siebel Systems executive says, "My favorite goal setting story of all time was how Siebel set sales goals for its District Managers: everyone's quota was \$3.5 million. There, no more thought needed to go into it, no discussion - just do it or you're fired! So the District Manager calling on Citibank had the same quota as the District Manager calling on the States of Louisiana, Mississippi and Alabama. Guess which guy got fired?"

"I also remember how I used to spend the last day of every sales quarter at Siebel performing unnatural acts to close business and save my job. At the end of the year, I had to work until 10:00 p.m. on the last day of the sales quarter (while we had company over at home) to get one last deal closed. This deal saved my job. I was one of two state and local district managers that avoided the axe two weeks later."

Goals Intended to Impress, Not Guide Efforts

William Hamilton says, "During the roaring, crazy days of the dot.com nineties, using quotas to impress was common place, although organizations also utilized this technique long before the Internet arrived. In this process, management creates goals based on the desire to impress or mislead outside groups."

According to Hamilton, this process is, "also used to avoid serious analysis of the company and the marketplace. At the end of the



time period, these goals can then be used by senior management to pass the buck and the blame for the failure to meet the goals.

"To internal staff members, who were often unconvincing and unmoved by the unrealistic, 'show goals', senior management's actions produced serious morale and competency-questioning issues. To staff members who bought into the euphoria, failure to achieve the goals was a deadly downward spiral."

In an effort to meet the current period's goals, the long-term viability of the organization is put at risk. Hamilton gives these examples of negative actions people take to meet unrealistic goals. "They: Focus development efforts on the next sale.

Offer deep discounts on products to move future sales into the current period. Push expenses into the future, rather than accounting for them when incurred. Use expensive promotions that actually generate less in sales than they cost. Fail to carefully develop long term strategic efforts, when 'strategic' means the payoff is not within the next goal time period." A former IBM manager illustrates this point with this story. "One ridiculous process was the way IBM used to set sales quotas. In the later years there, when the company was showing very slow growth, you could count on a 25-30 percent increase in quota. It didn't matter that most IT (Information Technology) budgets were stagnant, so the quota process was demoralizing in a big way. The way to make dollars there, was to find a job where they weren't sure how to set the quota - some kind of new area - and clean up and move on. Some people specialized in this sort of behavior."

Goal Setting Becomes About the Plan, Not the Execution

Hamilton says a potential serious downside occurs when "the ratio of energy, time and creativity that goes into creating the goal outstrips (and comes out of the hide) of actually managing the product."

In one small manufacturing company, a management group decided to use gantt charts to track goal accomplishment. After starting with a huge investment of time in making the charts for all of their goals, the management group soon abandoned the charting. When questioned later, they affirmed that the charting was taking too much of the time they needed to accomplish the goals. But, they had awesome charts while they were keeping them up.

How to implement strategic planning: Vision statement, mission statement, values

The strategic planning how-to question strikes at the heart of how to make change of any kind happen in your organization. Start by answering why your organization might want to embark on a strategic planning process. Want to be one of the organizations, in which employees understand the mission and goals? They enjoy a 29 percent greater return than other firms. This seems like a good reason to start strategic planning to me. How about you?

Keys to Strategic Planning Success

These are the keys to effective strategic planning for your business.

- Full and active executive support,
- Effective communication,
- Employee involvement,
- Thorough organizational planning and competitive analysis, and
- Widespread perceived need for the strategic planning.

If you are implementing your strategic planning in an organizational environment that is already employee-oriented, with a high level of trust, you start the strategic planning process with a huge plus. An additional plus is an organization that already thinks strategically.

Unfortunately, the implementation of strategic planning most frequently occurs as an organization moves from being traditionally reactionary to strategic. So, often, learning to think strategically is part of the strategic planning learning curve.

Full and Active Executive Support for Successful Strategic Planning

Successful strategic planning requires a large commitment from executives and senior managers, whether the strategic planning is occurring in a department or in a complete organization. Executives must lead, support, follow-up, and live the results of the strategic planning process. Or, the strategic planning process will fail. It's as simple as that.

Without the full commitment of the organization's senior executives, don't even start strategic planning. Participants will feel fooled and misled. A vision statement and a mission statement, along with this year's goals, filed, unimplemented in a cabinet or computer, is a serious source of negativity and poor employee morale.

Senior leaders can do the following to create a successful strategic planning process.

Establish a clear vision for the strategic planning process. Paint a picture of where



If you are implementing your strategic planning in an organizational environment that is already employee-oriented, with a high level of trust, you start the strategic planning process with a huge plus. An additional plus is an organization that already thinks strategically.

champion or leader who "owns" the strategic planning process and makes certain other senior managers, as well as other appropriate people in the organization, are involved.

Executive support in strategic planning is critical to its success. Executives must lead, support, follow-up, and live the results of the strategic planning process. These are additional ways executive leaders can support the strategic planning process. See the first part of this article for more ways that leaders can support the strategic planning process.

Pay attention to the planning occurring. Ask how things are going. Focus on progress and barriers for change management. One of the worst possible scenarios is to have the leaders ignore the process.

Sponsor portions of the planning or the strategic planning process, as an involved participant, to increase active involvement and interaction with other organization members.

If personal or managerial actions or

behaviors require change for the vision statement, mission statement, values, and goals to take hold in the organization, "model" the new behaviors and actions. (Senior managers must walk the talk.)

Establish a structure which will support the move to a more strategically thinking and acting organization. This may take the form of a Steering Committee, Leadership Group, Core Planning Team or Guiding Coalition.

Change the measurement systems, reward, and recognition systems to measure and reward the accomplishment of the new expectations established through the strategic planning process.

Develop a within your to communicate, reinforce, and provide a structure that supports the articulation and accomplishment of the strategic planning goals.

While every person in your organization cannot make their voice heard on every issue within the strategic planning, you must solicit and act upon feedback from other members of the organization. Integral in the strategic planning process must be the commitment of each executive to discuss the process and the plans with staff members. Too often, I have experienced executives holding information closely and consolidating their own dysfunctional power within the organization at the expense of other company employees feeling - and acting - excluded. (And then they ask: how can I get my staff to "buy-in" to these new expectations?)

Recognize the human element inherent in any change - the change from reactionary to strategic thinking is a huge leap. People have different needs and different ways of reacting to change. They need. If training is part of the strategic plan, senior leaders must participate in the training that other organization members attend, but, even more importantly, they must exhibit their "learning" from the sessions, readings, interactions, tapes, books or research.

Lastly, and of immense significance, be honest and worthy of trust.

Throughout the strategic planning process, treat people with the same respect you expect from them. And you will enjoy the 29 percent greater return than non-strategic planning companies, predicted earlier. With your vision statement, mission statement, values, strategies, goals, and action plans developed and shared, you'll all win, both personally and professionally.

humanresources.about.com

Seeking the Right Employee ??

Advertise in **ST APPOINTMENTS**
the Employment Advertising section of
The Sunday Times.

- Competitive rates
- High caliber readership
- Free Web advertising

To Place your ads call,
Aravinda - 0773 219 777 Hemantha - 0773 427 846 Madu - 0772 930 795



Be the first to strike!

Sri Lanka's largest selling independent English daily, the Daily Mirror is looking for hardworking, dynamic persons with a proven track record to join its team of **News Editors**

Ideal candidates should

- ▶ Possess a minimum of 10 years experience as a journalist in a national English newspaper
- ▶ Possess a minimum of 5 years experience as a News Editor or Deputy News Editor
- ▶ Be able to work under deadline pressures
- ▶ Be willing to work on shift basis

Preferred age: between 30 and 50 years

Please email your application to : christophere@admin.wn.lk, kesaraa@wijeya.lk

