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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 work 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 roar-

ing, crazy days of the dot.com nineties, using goals 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 unconvinced 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 side 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.

Another example of this is when an organization spends time and energy to develop a comprehensive business plan, and then the plan sits in a drawer. While the act of making the plan was important, the follow-up is the critical piece. Regular review and follow-up make a plan live - and serve.

Too Many Goals Make Nothing a Priority

In my work with small and mid-sized manufacturing companies, I often find that people wear so many hats, they are overwhelmed with the sheer number of goals they are expected to meet. I once facilitated a strategic planning session during which people analyzed and established priorities. They moved non-priority items to a "B" list and believed they had successfully created an "A" list of the most important, achievable goals.

You can imagine my consternation when, at the end of the session, the senior manager looked at the list of goals on the "B" list and said, "These are all givens. We have to accomplish these anyway."

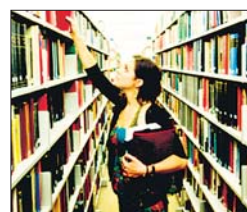
People with too many goals experience these issues. They never feel as if they accomplish a complete task.

It is difficult to tie their goal accomplishment to a reward and recognition system that recognizes their accomplishments.

They don't know what is most important to accomplish next.

They fall prey to the "check it off the list" syndrome in which they check tasks off their list before the actions have been integrated by the organization.

Goal setting is a positive, powerful, business practice when it tells your staff where you are going. Effective goal setting also demonstrates what success will look like during the journey and upon arrival. When practiced poorly, however, goal setting can negatively impact your organization in all the ways described, and more - humanresources.about.com



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