

Beyond SMART. SMART targets are widely understood and utilised in many organisations across a range of sectors. Why do they often lead to average, rather than exceptional performance?

Executive overview

It is useful to set SMART targets. They allow results to be predictable and lead to consistency in performance management. However, creating SMART targets doesn't often lead to exceptional results. Achieving this can be a real challenge.

This article highlights the critical role target setting plays in the performance management process. In fact, where employees are truly committed to targets the likelihood of exceptional performance increases, whilst the effort required by leaders over time decreases.

It highlights some of the key elements of setting effective targets and describes the psychology behind it. Some of the factors include:

- The target needs to carry real meaning for the individual. It is important that they feel ownership of it (intrinsic) rather than have it inflicted on them (extrinsic).
- People need to believe the results of their efforts will lead to outcomes that benefit them. They must also have confidence in their ability to achieve.
- Abstract, 'why' goals (we want to be the best) are aspirational and motivational but they don't help people to focus on the practical issues. Concrete, 'what' goals are more realistic but are less likely to inspire. A balance of goals is required.
- Helping people to adopt the right mindset will pay dividends. Optimism is good but if they believe achieving the target will be easy then poorer results are likely.
- Understanding the individual's perspective about whether they're hoping to receive acclaim or avoid failure helps leaders to guide the individual effectively.
- It makes a difference whether people are encouraged to hit a target, or do their best. The former leads to a real burst of energy but people become demoralised if achievement is unlikely. The tendency to give up is stronger. The latter is more complex to set but will lead to greater results.
- And finally, to what extent is the individual interested in goals anyway? Is there some other way of pushing their 'hot buttons' and unlocking their potential?

Including all of these factors when setting targets might seem overly complex and onerous. However, the potential benefits significantly outweigh any investment in effort at this stage of performance management. At Wiseman Talent Solutions we've seen the impact of getting people engaged in goals they believe to be exciting and stretching. We can support both leaders and employees in defining targets that will make a real difference to your business.

You can learn more about this subject by reading the attached article or contacting Patrick Lee at patrick.lee@wisemantalent.com or calling him on 07711 930755.

Achieving exceptional performance through effective goal setting

The value of SMART goals

The principle of setting SMART goals is a good one. It certainly makes sense for goals to be Specific, Measureable, Achievable, Relevant and Timebound. If they meet this set of criteria there's a good chance of both manager and employee having clear and agreed expectations. The creation of SMART goals should also lead to clarity around resource requirements, identify potential barriers, and result in stretching challenges. This article doesn't seek to undermine SMART goals. It aims to highlight the need to support and enhance them.

In practice, even when SMART goals are agreed as part of the performance management process they frequently end up in a drawer! The next time they're seen is at some distant performance review meeting. A lot of water has flowed under the bridge by then. Priorities have often shifted. Resources haven't been available. Or, maybe, people have just forgotten them because they didn't feel important enough. Other common problems in setting SMART goals are having the right number (too many or too few), defining something measureable (especially if it's a behavioural objective), or having the skill to develop such goals in the first place. It takes time and effort to describe them clearly and succinctly which often feels like a hindrance to people who are busy doing things.

So, what do we need to do to get exceptional performance? There is no 'silver bullet' but there are things that can be done. The temptation might be to introduce a more rigorous system to manage performance. This could be the answer in some circumstances. In general, the trend is towards simplifying appraisal and performance management processes, rather than making them more complex or demanding. Few, if any, managers feel as though they have the luxury of lots of spare time to devote to developing objectives. They are under pressure to quickly move into delivery mode. A more likely solution to the problem of getting exceptional performance from employees is within managerial, or to be more specific leadership capability. The challenge for leaders is to enable employees to achieve performance levels they wouldn't have reached without the leader's presence. This isn't easy but the benefits for the leader are enormous if they can achieve it.

Making goals meaningful

Establishing goals that have meaning for the individual is a positive step. Victor Frankl has some interesting thoughts in this area. He was a psychiatrist who spent time in some of the most infamous concentration camps of world war two as a prisoner. He mused on the fact that people who were able to maintain a meaning to their life survived whilst those who lost hope perished. He observed that man is willing to live or die for the sake of values and ideals. Without meaning there is a vacuum where people can blindly follow what others do (conform) or simply do what others ask. Neither state is particularly energising or motivational. Although this is perhaps a touch extreme it does give an insight into the human need for meaning and highlights the value of having it.

So, where can we find a perspective on meaning that fits more comfortably within the business environment? John Kotter studied change and devised an 8-Step Change Model which starts with creating a sense of urgency. In effect, he encourages leaders to help their people establish a sense of meaning and purpose before implementing change. He argues that this isn't simply about showing a few poor sales figures or pointing out dangerous competition. In order for people to believe there is a compelling need for change it's important that they really understand the implications for the business and themselves.

Getting buy-in and commitment

A slightly different but complementary perspective on the idea of having real meaning and direction in life was articulated by Vroom. He argued that motivation is the product of 'valence', which is the value of the outcome to the individual, and 'expectancy', the probability that effort will result in success. So, taking Vroom's ideas into consideration, this implies that exceptional performance

might not happen even where an individual has a strong sense of purpose. This could be due to the fact they don't think the outcome would be worthwhile, or they believe success will not occur despite their best efforts.

Psychologists refer to self-efficacy. This is simply about people believing they are capable of achieving something. It fits quite comfortably with Vroom's ideas about expectancy. One of the reasons for believing efforts will not lead to success could be a lack of self-efficacy. If employees don't believe they are equipped to face a challenge they are less likely to be motivated. There are four main starting points relating to self-efficacy that leaders would benefit from being aware of. These are:

- Previous experience and 'mastery'. This suggests that self-efficacy will be higher if the individual has tackled a similar challenge successfully in the past.
- Role models or mentors. A role model can demonstrate the ability to succeed (eg Roger Bannister and the 4 minute mile) whilst mentors can encourage.
- Verbal persuasion. Positive, honest feedback about achievements to date will help people to feel more motivated to tackle challenges.
- Positive states. A person who feels happy and confident is more likely to face a difficult challenge. Pressure and criticism will make it more difficult for them.

The psychology of engagement

Another key to unlock exceptional performance could be in understanding how people think about goals. Some prefer to focus on a broader or more *abstract* meaning. They want to know 'why'. Others like to have something *concrete* that indicates 'what'. The former might refer to driving a car as being on a journey whilst the latter describe the experience as changing gear, steering or some other aspect of driving. One person might describe staying at work late as completing a particular activity whilst another articulates it as furthering their career. A really effective leader will help people alternate between these types of thinking. 'Why' goals tend to pay more attention to the motivational aspects of the challenge but are not necessarily realistic about the effort required. 'What' goals are really useful if the task is complex or difficult. They encourage people to focus on the task at hand and tend to promote a greater sense of realism and feasibility.

Having the right mindset when defining and determining a goal will have a significant impact on how tasks are tackled. The balance between optimism and realism about succeeding in achieving goals has been studied extensively by psychologist Gabriele Oettingen. She found that people who embarked on something believing it to be easy achieved significantly poorer results than those who anticipated it to be difficult. In one study of dieting women she found those who believed they would be successful lost an average twenty-six pounds more than those who thought they would fail. However, those women who anticipated it would be easy lost an average twenty-four pounds less than those who believed it was going to be a real challenge.

Creating positive momentum

Momentum and persistence in achieving goals will be impacted by whether they are about 'being good' or 'getting better'. If an individual approaches a goal with a 'be good' mindset they're focused on a specific outcome such as a grade (if they're in education) or a number (perhaps a sales target). Achieving these goals helps our self-worth. It validates that we're good. These goals can be highly motivational when tasks are not particularly complex and its well within the gift of the individual to achieve. However, it can be quite demoralising if people can't hit these targets. A 'get better' goal is where people focus on developing their capability. In these circumstances they tend to take a broader view of the challenge. Rather than focusing simply on what they must do to hit the target they look for opportunities to learn and practice. If they're relatively unsuccessful this doesn't generally lead to questions about innate ability. Instead people think about their strategy, focus,

effort, need for support, and many other factors. When the going gets tough they are more likely to keep going.

A psychologist called Tory Higgins highlights the difference between 'promotion' and 'prevention' focused goals. This is similar to 'be good' and 'get better' in the sense that it's about perspective. In education those people who think of passing exams and getting great grades as an achievement, or something to be attained have a 'promotion' perspective. Other people can view these challenges as an obligation. They aim to pass to avoid letting themselves, or others (parents?) down. The theory suggests that people who seek accomplishments are doing so in order to get love. The others aim to stay safe. This dynamic has many interesting impacts including how we respond to praise and criticism. With a 'promotion' focused goal success increases motivation whilst negative feedback dampens spirits. Meanwhile, highlighting setbacks and potential failure tends to result in increased effort where 'prevention' focused goals are concerned. Motivation can actually decrease if people with a 'prevention' focus are told they are doing very well. In essence, the failure they fear is not as clear and present.

Goal orientation

In some environments, such as sales, the goal is absolutely vital. It is relatively straightforward to measure and in most circumstances rewards are closely related to results. It's easy to understand why people give up when achievement of the target looks unlikely. This would especially be the case if it was an extrinsic goal (see next paragraph), tackled from a 'be good', 'promotion' mindset. However, many people are not motivated by goals or commercial results. Even their personal rewards, in the form of potential bonuses might not drive their performance. This doesn't generally mean they lack any motivation but they are energised by different things. One tool that can help to unlock this information is a psychometric tool. It will help to understand what their 'hot buttons' are and can lead in more effective target setting.

Making it happen

Within such a short article it is impossible to cover all the elements that could be considered in helping people to set targets that result in exceptional performance. However, there is one more area worth considering. That is whether the goal is extrinsic, set for us, or intrinsic, we choose for ourselves. One of the greatest dangers is getting people fired up, focused, motivated and then hijacking them with a target that they feel has been imposed. This can have a devastating effect on motivation. Obviously, in most business situations there are expectations in terms of performance levels. However, there is an important and subtle difference between people feeling as though they've set their own targets or had no involvement in it.

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