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Goal Setting: A Fresh Perspective

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Introduction

Why is an organizational focus on goal setting so critical? An organization in which all employees understand and act upon their roles and potential to adhere to the business strategy, in which everyone is traveling in the same direction, is unstoppable.

This white paper provides an overview and refresher about setting great goals. Here, you'll find background and ideas on how to establish a goal-setting approach in your organization designed to guide all employees toward implementing your company's strategies.

This guide is appropriate for use by human resources (HR) staff to support performance management policy making and design, by line-of-business managers to understand and execute their role in guiding their team members as they set their goals, and by individual employees as they write strong stretch goals that will help move the business forward.

All of the content in this white paper is available for you to use as you see fit, with appropriate credits cited. Think about customizing the language to your organization's culture. Localize the exercises and examples to your business. Make the content work for you in executing a consistent and effective goal-setting approach across your organization.

The Importance of Goal Development to the Organization

The organization that makes it a priority to develop quality, effective goals will succeed in its performance management, in its business in general, and in developing its employees' skills and confidence.

Where Goals Fit into the Performance Management Process

Goals launch the annual performance journey; if you step off in the wrong direction, you'll never reach the destination you're targeting.

Figure 1. Setting quality goals puts employees on a multistep path toward compensation, reward, and further development.

Why Are Great Goals More Important than Ever to Business?

Goal setting, given high priority and approached consistently throughout the organization, is the mechanism by which the business delivers results against its strategy. Improved shareholder value, greater profitability, increased revenue, inspired innovation—none of these can be realized without an organized process that deconstructs strategies and cascades relevant and measurable elements of those strategies appropriately through the workforce.

Quality, effective goals offer significant benefits to the organization. Great goals:

- Add a needed measure of organizational discipline that keeps everyone at every level focused on the same destination.

- Allow accurate forecasting of resource needs, foster the efficient use of those resources, and avoid costly stops, starts, and changes in direction.

- Keep the organization competitive in both the business marketplace and the employee marketplace.

- Keep employees engaged because employees know what is expected of them at work. Through rigorous analysis of research conducted over 30 years with 17 million employees, Gallup identified 12 core elements that best predict employee and workgroup engagement and performance. Related to these core elements, Gallup identified the Q12 high-success statements (see Figure 2). Gallup found that, among these statements, "I know what is expected of me at work" is fundamental.[1]

These benefits are as critical to the success of small businesses as they are to large enterprises.

The Gallup Q12®

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my company makes me feel my job is important.
9. My associates or fellow employees are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

Figure 2. Goal setting is critical to achieving the Gallup Q12 statements, indicative of high performance.

Why Are Great Goals Important to Employees?

Goal setting is critically important to individuals and their managers. Gallup found that knowing what is expected of them at work was critical to employees remaining engaged in their work. Other researchers point out the additional benefits of setting high-quality goals.

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[1] Gallup, James Harter, Frank Schmidt, Emily Killham, and Sangeeta Agrawal, "Q12 Meta-Analysis, The Relationship Between Engagement at Work and Organizational Outcomes," August 2009.

In *A Theory of Goal Setting and Task Performance*[2], Edwin Locke and Gary Latham cite Locke's research showing that specific and challenging goals led to better task performance than vague or easy goals. They not only confirmed the link between goals and performance at work, but they went on to outline five characteristics of an effective approach to goal setting: clarity, challenge, commitment, feedback, and task complexity. Ultimately, these principles evolved into the SMART goal-setting approach that companies are still refining today.

Mihaly Csikszentmihalyi reaffirmed the value of challenging activity to people in all aspects of their lives, including work. He demonstrated that people are happiest when they are in a "flow state," and that happens when they are so absorbed in an activity that nothing else seems to matter—strong support for specific, challenging goals.[3]

How else do goals benefit employees? Making progress toward and achieving goals fosters both satisfaction and self-confidence. Goals also promote planning and, along with plans, interaction between managers and direct reports and among teams to align plans, monitor milestones, and make course corrections when needed.

What Do Great Goals Look Like?

An effective and consistent approach to goal setting includes three facets:

1. **Goals should be, at a minimum, SMART.** SMART is an acronym that stands for specific, measurable, attainable, relevant, and timely. We'll look later at ways to enrich SMART goals and customize this approach for an organization.

2. **Goals should be manageable in number.** Five or six meaningful stretch goals are sufficient to challenge employees and keep them engaged in their contribution to the business. Adding more goals is likely to have a negative impact on productivity and derail progress toward achieving any of them.

3. **Goals should address both business results and personal development.**

Each year, the goal-setting process establishes a new contract between employee and manager; both should be equally invested in achieving the desired results. Well-written, regularly monitored goals provide the framework for accountability and the basis for productive performance conversations between managers and employees.

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[2] Edwin A. Locke, Gary P. Latham, Ken J. Smith, Robert E. Wood, *A Theory of Goal Setting and Task Performance*, January 1990.

[3] Mihaly Csikszentmihalyi, *Flow: The Psychology of Optimal Experience,* 1990.

Cascading and Aligning Goals

The best way to make sure you're traveling in the right direction is to have a map. Your company's business strategy and the goals of each business unit, division, department, and team provide guidance about developing goals at the higher levels.

Cascading Goals

The goals cascade is really a process of deconstructing and translating goals from one level of the organization to the next. It is the manager's role to describe the contributions that members of the team can make to delivering results up to the next level. Managers should take care that employees are able to achieve their goals by following these guidelines:

- The employee needs to be able to do the work; people can't achieve a goal that is not within their scope of influence or current capability.

- The employee must have the tools, resources, and access required to get the work done.

- Expectations must be well-defined, and the employee must have sufficient time and bandwidth to meet milestones.

- Goals must be reasonable. The challenge of a stretch goal can be invigorating; an impossible target will certainly be frustrating and can be demoralizing.

- Managers must be prepared to offer guidance and coaching.

Oracle TBE Performance Management Cloud Service, part of Oracle Taleo Business Edition Cloud Service, helps managers and employees establish quantitative and qualitative employee goals, define expectations, and align employee goals with broader company objectives—leading to improved productivity and a more engaged workforce. Its broad-scope interface provides an overview of each individual's goals and the business goal or strategy from which it cascades, along with an easy-to-scan graphic display of progress against goals.

Figure 3. The Oracle TBE Performance Management Cloud Service interface helps you manage your direct reports, their goals, and their performance reviews.

The Levels of Cascading Goals

Goals address every aspect of organizational endeavor. Business units set goals related to increasing their impact on the marketplace and becoming better at what they do, whether that be through sales, impressions, clicks, cost control, productivity, or other measures. Functions also seek improvement through goals that may address such factors as efficiency, expanding capability, and higher service scores. Team goals carve out each team's expected contributions to the larger business unit and functional goals. Finally, individual goals further refine the work, making the all-important connection between the individual and the organization.

The goal cascade demonstrates to individual employees what role they play in achieving the company's business goals.

Cascading Goals Example

Study the example in Figure 4 to see how goals cascade from the organization to the individual.

Business level	Cascaded goals	How the cascade works
Business goal:	Double revenues from $100M to $200M in the next five years.	Senior executives are unsatisfied with the company's slowing growth in recent years. They want to make the company an attractive candidate for acquisition or an IPO.
Division goal:	Increase U.S. sales of HotProduct 1 by 20% in 2012.	The HotProduct 1 U.S. division's goal is to grow its business in line with the company's growth goal.
Department goal:	Recommend three new U.S. markets for HotProduct 1 with $5M in potential by the end of Q1.	The market for HotProduct 1 sales in traditional markets has matured. The best potential for growth lies in identifying new markets. It's marketing's job to find them and determine how to appeal to them.
Team goal:	Conduct comprehensive market research into potential new markets for HotProduct 1 in the U.S. by March 1.	The research team launches into high gear to develop the market data the marketing department needs to recommend new markets.
Individual goal:	Complete thorough competitive intelligence studies of suggested new HotProduct 1 markets in the U.S. by February 1.	Competitive intelligence specialists must report on the competitive landscape in possible new markets by February 1.

Figure 4. A sample of the cascading goals worksheet.

Cascading Goals Practice Worksheet

The cascading goals worksheet below (see Figure 5) can be used to create a goal cascade that culminates in your contribution as an individual. Think about the goals of the team members around you and those to whom you report. How does your work support that of others in the company? What information do you need to be effective in assuring your goals fit into the company cascade? How can you obtain that information most efficiently?

Business level	Cascaded goals	How the cascade works
Business goal:		
Division goal:		
Department goal:		
Team goal:		
Individual goal:		

Figure 5. The cascading goals practice worksheet enables you to create a goal cascade related to one of your individual goals.

Aligning Goals

The process of goal alignment provides checkpoints to assure that all members of a team—at any level—are working in parallel toward the achievement of a goal. Goal alignment guides goal setting in the same direction so that every individual and team work purposefully toward meaningful contribution, as opposed to just working. Alignment keeps everyone on the same road and discourages the divergence and distraction that can derail progress toward planned business results.

Aligning Goals Example

Study the example in Figure 6 to see how multiple individual goals can support a team goal for the organization.

Individual goal:	Complete competitive intelligence studies of potential new HotProduct 1 markets in the U.S. by February 1.	
Individual goal:	Complete thorough market sizing analyses for potential new HotProduct 1 markets in the U.S. by February 15.	
Individual goal:	Complete pricing analyses for potential new HotProduct 1 markets in the U.S. by February 1.	
Individual goal:	Conduct and report on focus group research for potential new HotProduct 1 markets in the U.S. by January 21.	
Individual goal:	Develop HotProduct 1 product extensions or enhancements that might increase its appeal to potential new HotProduct 1 markets in the U.S. by February 21.	

Team goal:

Conduct comprehensive market research into potential new markets for HotProduct 1 by March 1.

Figure 6. A sample of the aligning goals worksheet.

Aligning Goals Practice Worksheet

The aligning goals practice worksheet below (see Figure 7) can be used to develop a set of aligned goals for another marketing department team in which your contribution parallels the work of other team members. Think about the goals of the team members around you. Think about the goals of other marketing teams and how they might align with your team's goal to contribute to achieving the goal of identifying new HotProduct 1 markets with US$5 million potential. How does your work support that of others on your team? What information do you need to be effective in assuring your goals align well with the goals of others? How can you obtain that information most efficiently?

Individual goal:		
Individual goal:		
Individual goal:		
Individual goal:		
Individual goal:		

Team goal:

Figure 7. The aligning goals practice worksheet enables you to develop a set of aligned goals for a team.

Writing SMART Goals

On the journey toward achieving great business results, well-written goals are the fuel that drives performance. It's quite likely that you have heard of SMART goals and that you've traveled this way before. You may even be thinking, "Oh no! Not SMART goals again!" What else is there to know?

What Are SMART Goals?

Most reviews of SMART goals explain the acronym this way: it stands for specific, measurable, attainable, relevant, and timely.

S	Specific	The goal clearly defines the outcomes to be delivered, with any necessary interpretation agreed upon by the employee and manager in advance.
M	Measurable	The achievement of the goal can be objectively assessed according to a pre-determined and applicable measurement.
A	Attainable	The employee has the resources, time, and access to people, data, etc., to allow him or her to achieve the goal.
R	Relevant	The goal addresses work and results that clearly align with the goals of the team, the department or division, and the organization as a whole.
T	Timely	The goal clearly specifies a delivery date or schedule.

Figure 8. The SMART acronym is an easy way to remember key elements of effective goals.

There is generally conceptual agreement about what SMART stands for, but there is room to make this model one that reflects the practice, personality, and culture of your organization.

Think about the original acronym. Are there words that are more appropriate for your workforce?

- S can also refer to "stretch," "significant," or "synergistic."

- M also might mean "meaningful" or "motivating."

- A can also represent "action-oriented," "agreed upon," or "accountable."

- R might mean "relevant," "rewarding," or "results-oriented."

- T can mean "tangible" or "thoughtful."

Some organizations expand the acronym to include additional concepts:

- SMARTER, where the E means "engaging" and the second R means "rewarding."

- SMART-C, where C means "challenging" or "collaborative."

- SMART-S, where S means "stretch," "sustainable," or "significant."

- SMAART, where the second A stands for "actionable."

Glenn Hughes, director of global learning for KLA-Tencor, introduced a SET SMART methodology to broaden the scope of goal setting to include the external market as well as the internal culture. The added acronym represents the following:

- S: Does it "scare" the competition?

- E: Does it "engage" the employee?

- T: Does it "thrill" customers?

Is it time for your business to take a look at recasting SMART goals to be more compatible with your culture? Wherever your company settles in this debate, make sure that you communicate throughout the organization not only the "what" of your corporate SMART goal approach, but also the "why."

Oracle TBE Performance Management Cloud Service, part of Oracle Taleo Business Edition Cloud Service, allows for full customization in defining and expanding the SMART goal model to reflect the organization's culture and ensure consistent messaging across businesses, departments, and teams.
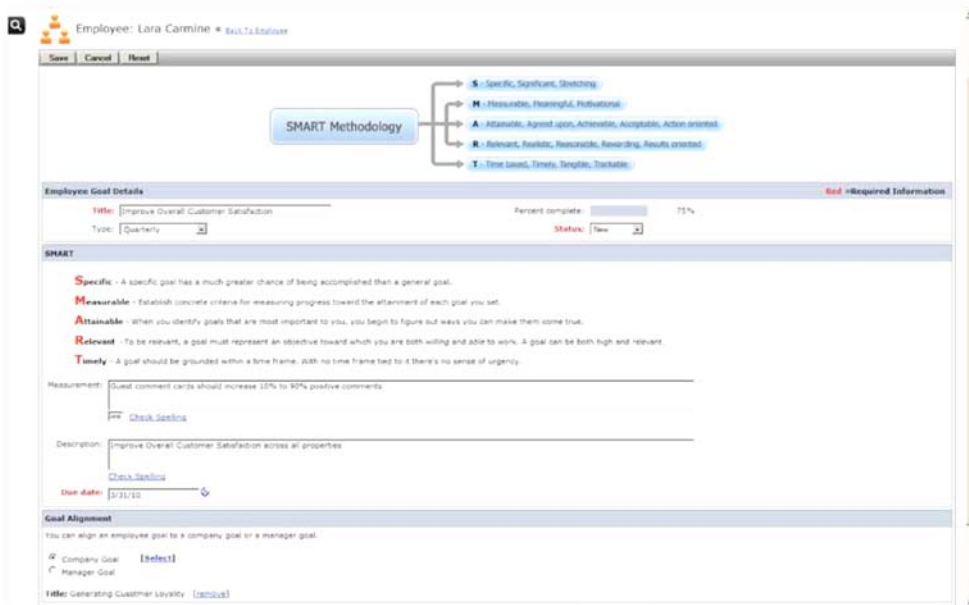

Figure 9. Oracle TBE Performance Management Cloud Service enables you to customize goal setting to accommodate the unique culture of your organization.

A Word About Metrics

Make sure the measurement you apply to your goal is an appropriate one. There are two primary types of metrics: variables and attributes. Use variable measures when your goal progress can be measured in numbers or percentages. Use attributes when your outcome will be a qualitative or toggled result, such as yes or no.

DATA ENTERED FOR GOAL ASSESSMENT

ASSESSMENT WITH VARIABLES	ASSESSMENT WITH ATTRIBUTES
Number	Yes/no
Percentage	Complete/incomplete
Time	Proceed/abort
Cost	
Speed	

Other elements of effective metrics are listed in the table below:

CHARACTERISTICS OF EFFECTIVE GOAL ASSESSMENT METRICS

CHARACTERISTIC	BENEFIT
Easily understood	The measurement data is easy to understand and to compare with other data.
Controllable	The individual must be able to influence the variable or attribute being measured.
Complete	The measurement addresses all elements of the goal: it represents the numerical and qualitative portion of the successful outcome.
Cost-manageable	The method of collecting measurement data should be affordable in terms of both time and financial resources.
Responsive	Measurement data should be available within a time frame that allows for adjustment in the work plan if necessary.

Writing SMART Goals Example

Study the example in Figure 10, listing the individual goals of the market research team. Analyze each employee's first pass at the goal and how the goal was improved in the final version.

First pass goal	What's missing?		Final version
Find out about possible competitors in new markets for HotProduct 1.	Specific?	No. What form will your output take? When is your deliverable due? What geography will you cover?	Complete competitive intelligence studies of potential new HotProduct 1 markets in the U.S. by February 1.
	Measurable?	No. Without specificity, it's difficult to apply a metric to this goal.	
	Attainable?	Yes	
	Relevant?	Yes	
	Timely?	No. When is your deliverable due?	
Identify which potential new HotProduct markets might have potential for $5M in revenue.	Specific?	No. What form will your output take? What geography will you cover?	Complete thorough market sizing analyses for new HotProduct 1 markets in the U.S. with potential for $5M in revenue by February 15.
	Measurable?	Yes	
	Attainable?	Yes	
	Relevant?	Yes	
	Timely?	No. When is your deliverable due?	

Figure 10. A sample of writing a SMART goals worksheet.

Writing SMART Goals Practice Worksheet

The writing SMART goals practice worksheet below (see Figure 11) can be used to review the goals of the remaining members of the market research team. How would you rewrite them into SMART goals?

First pass goal	What's missing?	Final version
Estimate the revenue that potential new HotProduct 1 markets would generate.	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?	
Collect data on what prospective buyers might like in a HotProduct 1.	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?	
Develop HotProduct 1 product extensions or enhancements by February 21.	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?	

Figure 11. The writing SMART goals practice worksheet enables you to practice creating effective goals.

Solution: Writing SMART Goals Practice Worksheet

Below you'll find one possible way to complete the practice exercise. How do these final goals compare to the ones you have developed?

First pass goal	What's missing?	Final version
Estimate the revenue that potential new HotProduct 1 markets would generate.	☑ *Specific?* ☑ *Measurable?* ☐ *Attainable?* ☐ *Relevant?* ☑ *Timely?*	Complete pricing analyses for potential new HotProduct 1 markets in the U.S. by February 1.
Collect data on what prospective buyers might like in a HotProduct 1.	☑ *Specific?* ☑ *Measurable?* ☐ *Attainable?* ☐ *Relevant?* ☑ *Timely?*	Conduct and report on focus group research for potential new HotProduct 1 markets in the U.S. by January 21.
Develop HotProduct 1 product extensions or enhancements by February 21.	☑ *Specific?* ☐ *Measurable?* ☐ *Attainable?* ☐ *Relevant?* ☐ *Timely?*	Develop HotProduct 1 product extensions or enhancements that might increase its appeal to potential new HotProduct 1 markets in the U.S. by February 21.

Figure 12. One possible solution to the writing SMART goals practice worksheet.

Goals for Business Results and Employee Development

When an individual—or, for that matter, an organization—sets too many goals, the prospect of addressing them all can become overwhelming. The employee may dip into and out of the work required for each goal, making little progress toward any of them. Everything is a priority so consequently, nothing is a priority.

Also, do not confuse job responsibilities with goals. Employees' job responsibilities are laid out in job descriptions; goals describe outcomes needed to move the business strategy forward.

Try to limit the number of goals toward which each employee is working to five or six, with one of those being a development goal.

Working Together on Development Goals

The development goals should address competencies and skills the employees need to grow in their current roles. At the same time, consider the individuals' career aspirations and the organization's future needs. Are there development goals that will enhance the employees' roles today and prepare them to move ahead?

In working with each individual, the manager and the employee should each answer the focusing questions below, then discuss their results and agree upon the competencies and skills the employee should be working to develop—along with some preliminary ideas about how to develop them.

Focusing Questions for Defining Skills

What competencies or skills do I need to master to:

- Improve my contribution or expand my scope in my current role?

- Progress toward my career aspirations?

Focusing Questions for Using the Skills Today

- How will I use these competencies or skills in my current role?

- How will my growth contribute to better results for my team?

Focusing Questions for Building the Skills for Tomorrow

- How will mastering these competencies or skills prepare me for expanded responsibilities or a broader understanding and impact on the organization?

Focusing Questions for Developing a Roadmap

- What steps will I take to get there?

- What is my preliminary action plan?

How Goals Connect to Performance Management

Goals are a contract between employee and manager. They provide the framework for accountability and promote conversations between the manager and employee to monitor progress throughout the year.

Goals are also a contract between the individual and the organization. They should be viewed as a route toward a destination. Should the destination change with a change in business direction or requirements, consider revising goals. However, set an organizational policy for a cutoff for goal revisions that falls no more than midway through the year. Any revisions after that date are, in reality, simply a recasting of goals to align with what happened during the year.

The goal framework is the basis for these performance management conversations:

GOAL FRAMEWORK FOR PERFORMANCE MANAGEMENT

GOAL-RELATED ACTIVITY	BENEFITS
Goal setting	- Cascade organizational goals - Align team member goals - Manage priorities - Address development needs - Keep employees engaged

Quarterly check-ins	• Monitor progress against plan • Identify challenges and derailers early • Address changes • Avoid year-end surprises • Keep employees engaged
Informal touching base and in-the-moment coaching	• Encourage interaction between managers and employees • Recognize positive performance • Address negative performance issues when they happen • Keep employees engaged
Annual performance review	• Assess and reward performance • Discuss readiness for the coming year • Keep employees engaged
Development planning	• Build skill and capability in employee's current role • Prepare for employee's career aspiration • Keep employees engaged

Oracle Taleo Business Edition Cloud Service features a Microsoft Outlook plug-in that streamlines the process for managers to document performance conversations, both formal and in-the-moment. This useful, practical tool supports proactivity, helping managers avoid the "uh-oh" of approaching the year-end with little documented feedback for the employee. The Microsoft Outlook plug-in allows managers to build complete documentation over the course of the year, making the year-end performance appraisal easier to prepare and more robust.
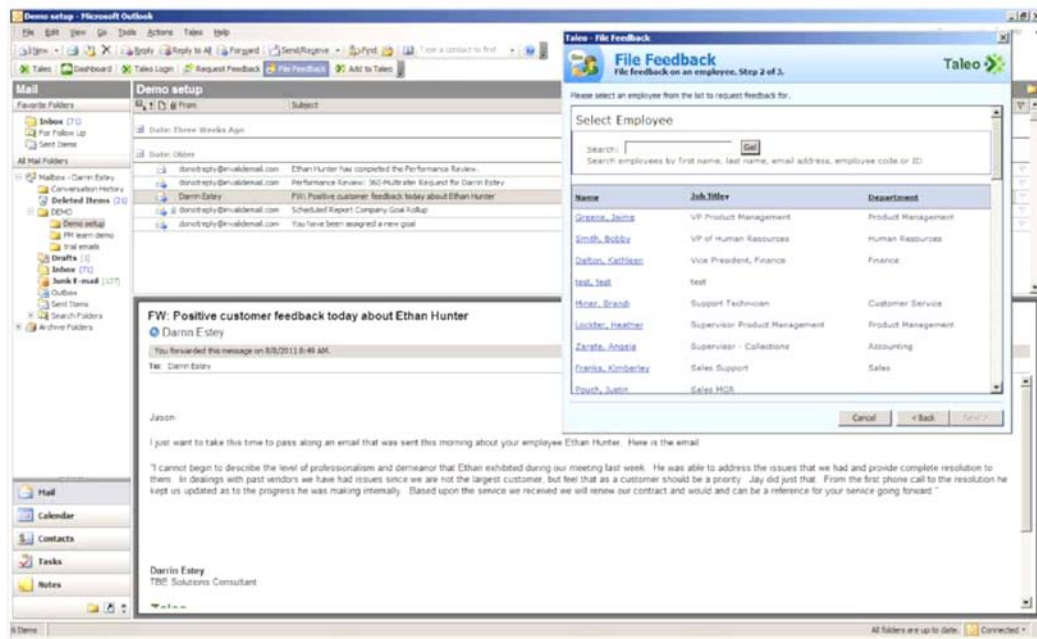
Figure 13. Oracle Taleo Business Edition Cloud Service features a Microsoft Outlook plug-in, enabling quick filing of employee feedback from your e-mail system.

Coaching for Great Goals and Execution

The GROW model was developed and used extensively in the U.K. as well as in the U.S. over the past 20 years. It has been promoted by such noted coaching practitioners as Graham Alexander, Alex Fine, and Sir John Whitmore,[4] and offers a time-tested and effective model for coaching employees about goal setting and performance. The model offers a highly useful set of probes that can help lead employees to the answers they need to write and execute effective goals.

G—Goals:

- What is it you would like to focus on?

- What would you like to achieve?

- What would you like to happen that is not happening now?

- How would you know you were being successful if you achieved your goal?

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[4] John Whitmore, *Coaching for Performance: GROWing Human Potential and Purpose—The Principles and Practice of Coaching and Leadership* (fourth edition), October 10, 2009.

- How could you break this goal down into manageable chunks?

- What are all the things that would need to be done to achieve the goal?

R—Realities:

- What is happening at the moment to derail your progress toward the goal?

- When and how often does this happen? Be precise if possible.

- What effect does this have?

- What other factors are relevant?

- Who else is relevant?

- What is that person's perception of the situation?

- What have you tried so far?

- What else is conflicting with achieving the goal?

O—Options:

- What possibilities for action do you see? Don't worry about how realistic they are at this stage.

- Who might be able to help?

- Which options do you like the most?

- What are the benefits and pitfalls of these options?

- Which options are of interest to you?

- Rate from 1 to 10 your assessment of the practicality of each of these options.

- Would you like to choose an option to act on?

W—Will:

- What are your next steps?

- Precisely when will you take them?

- What might get in the way?

- What support do you need?

- Can you see some real benefit coming from this for yourself and others?

- Are you excited by the prospect?

Delivering Performance Feedback

Organizations use a variety of methods designed to collect data about employee performance and to deliver that feedback to the individual, such as manager assessment of performance, 360-degree feedback, coaching, and development conversations. In almost all organizations, these methods focus on feedback, on a review of past events, and constructive criticism on how the employee might have done things better.

Formal feedback, despite a manager's best intentions, often feels like judgment and criticism. While important and effective in some contexts, other methods may be more effective for day-to-day interactions and in-the-moment coaching. The most effective feedback focuses not on what went wrong in the past, but on what can go right in the future. Forward-looking input is typically interpreted as encouragement and a boost forward. It emphasizes solutions rather than problems. Furthermore, the person accepting such feedback receives good ideas for completing the task, making the change, and delivering the result.

When an employee encounters a challenge, suggest ideas that might work in the future. This method not only focuses on the solution rather than the problem, but also urges employees to think creatively and build on the ideas of others.

Why try forward-looking input? Here are 11 reasons:

1. **We can change the future.** We can't change the past. This tool helps people envision and focus on a positive future, not a failed past. Athletes are often trained using forward-looking input. Race-car drivers are taught to look at the road ahead, not at the wall. Basketball players are taught to envision the ball going in the hoop and to imagine the perfect shot. By giving people ideas on how they can be even more successful, we can increase their chances of achieving this success in the future.

2. **It can be more productive to help people be right than prove they were wrong.** Negative feedback often becomes an exercise in "let me prove you were wrong." This tends to produce defensiveness on the part of the receiver and discomfort on the part of the sender. Even constructively delivered feedback is often seen as negative because it necessarily involves a discussion of mistakes, shortfalls, and problems. Forward-looking input, on the other hand, is almost always seen as positive because it focuses on solutions—not problems.

3. **Forward-looking input is especially suited to successful people.** Successful people like getting ideas that are aimed at helping them achieve their goals. They tend to resist negative judgment. We all tend to accept feedback that is consistent with the way we see ourselves. We also tend to reject or deny feedback that is inconsistent with the way we see ourselves. Successful people tend to have a very positive self-image.

4. **Forward-looking input can come from anyone who knows about the task.** It does not require personal experience with the individual. Feedback requires knowing about the person. Forward-looking input just requires having good ideas for achieving the task.

5. **People do not take forward-looking input as personally as feedback.** In theory, constructive feedback is supposed to "focus on the performance, not the person." In practice, almost all

feedback is taken personally, no matter how it is delivered. Forward-looking input cannot involve a personal critique because it is discussing something that has not yet happened. Positive suggestions tend to be seen as objective advice; critiques are often viewed as personal attacks.

6. **Feedback can reinforce personal stereotyping and negative self-fulfilling prophecies.** Forward-looking input can reinforce the possibility of change. Feedback can reinforce the feeling of failure and can be perceived to reinforce the message, "This is just the way you are." Forward-looking input is based on the assumption that the receiver of suggestions can make positive changes in the future.

7. **Most of us hate getting negative feedback, and we don't like to give it.** In a review of summaries of 360-degree feedback reports for more than 50 companies, the items "provides developmental feedback in a timely manner" and "encourages and accepts constructive criticism" almost always scored near the bottom in surveys assessing coworker satisfaction with leaders. Traditional training does not seem to make a great deal of difference. Leaders are not very good at giving or receiving negative feedback, and it is unlikely that this will change in the near future.

8. **Forward-looking input can cover almost all of the same material as feedback.** Imagine that you have just made a terrible presentation in front of the executive committee. Your manager is in the room. Rather than make you relive this humiliating experience, your manager might help you prepare for future presentations by giving you suggestions for the future. These suggestions can be very specific and still delivered in a positive way. In this way your manager can cover the same points without feeling embarrassed and without making you feel even more humiliated.

9. **Forward-looking input tends to be much faster and more efficient than feedback.** An excellent technique for giving ideas to successful people is to say, "Here are four ideas for the future. Please accept these in the positive spirit in which they are given. If you can only use two of the ideas, you are still two ahead. Just ignore what doesn't make sense for you." With this approach almost no time gets wasted on judging the quality of the ideas or proving that the ideas are wrong. By eliminating judgment of the ideas, the process becomes much more positive for the sender, as well as the receiver. Successful people tend to have a high need for self-determination and will tend to accept ideas that they buy and reject ideas that feel forced upon them.

10. **Forward-looking input can be a useful tool to apply when working with managers, peers, and team members.** Rightly or wrongly, feedback is associated with judgment. This can lead to very negative—even career-limiting— unintended consequences when applied to managers or peers. Forward-looking input does not imply superiority of judgment. It is more focused on being a helpful "fellow traveler." As such, it can be easier to hear from a person who is not in a position of power or authority.

11. **People tend to listen more attentively to forward-looking input than feedback.** Normally, when others are speaking, we are busy composing a reply. This is particularly true when receiving negative feedback. With forward-looking input, people are free to listen to what is being suggested because they feel less defensive. Most often when using forward-looking input, the response is "thank you."

Goal Setting: Putting It All Together

Several worksheets in this section can help make sure your goals are properly aligned and that they follow your organization's SMART goal model. Review the following examples before you start.

Goal-Setting Examples

Study the examples in Figures 14 and 15 to see how all the elements discussed in this white paper come together to help you and team members write clear, effective goals for success.

Goal 1	
Aligning with business goal:	Maintain our position as the employer of choice in our industry by retaining status as a Fortune top 100 employer in our size and industry category in 2012.
Aligning with HR division goal:	Review and improve as necessary our talent management policy and process to improve retention by 2%, achieve top employee ratings for on-boarding for 98% of new hires, improve employee engagement scores by 3%, and exceed competing employers' benefits packages.
Aligning with department/team goal:	Research, develop, recommend, refine, and prepare for implementation of a new 2012 performance assessment approach by 4Q11.

Individual goal:	SMART check
Roger will participate as a member of the team evaluating and recommending a new performance assessment approach for 2012. He will have direct responsibility for researching successful approaches and reporting on them to the team by 1Q11. He will adapt the selected approach to our culture, writing the framework and obtaining team feedback by 2Q11. He will obtain legal sign-off and present the final team recommendation to senior HR leadership by July 2011. He will develop and obtain team approval of an implementation plan by 3Q11.	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Figure 14. A sample goal-setting worksheet: Roger Malek, HR administrator.

Goal 1	
Aligning with business goal:	Increase U.S. market share for intermediate product line by 8% with neutral profitability impact by 4Q12.
Aligning with manufacturing division goal:	Re-examine manufacturing elements to drive 6% of cost out and prepare for 8% production increase by 4Q11.
Aligning with department/team goal:	Analyze all processes from LEAN perspective to drive out at least 6% of cost and assess needs for 8% production increase by 3Q11.

Individual goal:	SMART check
Lisa will lead the LEAN reassessment team for Plant A. She will chart the reassessment process by February 15, 2011, and assemble and assign project teams by March 1, 2011. She will monitor process activity and sign off on milestone achievements. She will prepare and deliver a report of findings and an execution plan for achieving the team outcomes by July 15, 2011.	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Figure 15. A sample goal-setting worksheet: Lisa Count, Plant A manager.

Goal-Setting Practice Worksheet

The goal-setting practice worksheets below (see Figures 16 and 17) can be used to create effective goals for your high-priority objectives.

Goal 1

Aligning with business goal:

Aligning with division goal:

Aligning with department/team goal:

Individual goal:	SMART check
	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Goal 2

Aligning with business goal:

Aligning with division goal:

Aligning with department/team goal:

Individual goal:	SMART check
	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Goal 3

Aligning with business goal:	
Aligning with division goal:	
Aligning with department/team goal:	

Individual goal:	SMART check
	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Goal 4

Aligning with business goal:	
Aligning with division goal:	
Aligning with department/team goal:	

Individual goal:	SMART check
	☐ Specific? ☐ Measurable? ☐ Attainable? ☐ Relevant? ☐ Timely?

Figure 16. These practice worksheets enable you to develop aligned, SMART goals for your higher-priority goals.

Figure 17. The developmental goal practice worksheet enables you to develop aligned, SMART goals for professional development.

Conclusion

Business leaders spend significant time developing organizational strategy, but if goals are not identified and monitored on an ongoing basis, even the best-laid plans will go awry. Goals are the bridge that connects business strategy to successful results. When we set goals, we're looking for ways to break strategy down into relevant, measurable, and attainable elements—all of which combine to drive that strategy so the organization can achieve numerous benefits. Such benefits include improved shareholder value, greater profitability, increased revenue, and inspired innovation.

To develop effective goals that are most likely to be achieved, the process should be broken down. First, goals should cascade from top to bottom so that individual goals flow from goals at the organization, division, department, and team levels. Next, goals should be aligned with these higher-level goals as well. In addition, goals should be SMART—that is, specific, measurable, attainable, relevant, and timely.

Finally, goal setting is critically important to individuals and their managers. After all, it's human nature to feel both satisfaction and self-confidence when we make progress toward—and meet—our objectives. Strategies for managers can include offering forward-looking input, eliminating defensiveness and promoting collaboration.

Goals also promote more useful interaction between managers and their direct reports, as well as among teams, so that they can better align plans, monitor milestones, and make course corrections when needed.

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